

Destination 2010 – Regional Economic Strategy for the East Midlands 2003-2010

A strategy prepared by *emda*

2003

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20 DESTINATION

regional economic strategy for the east midlands 2003-2010





Derek Mapp,
Chairman
East Midlands Development Agency

foreword by Derek Mapp

I am very pleased to welcome you to this second edition of the economic strategy for the East Midlands.

It is three years since the first edition was published. In 1999, the idea of having a regional economic strategy, with a vision that everyone in the East Midlands could work towards, was ground-breaking; and for the first time, many individuals and organisations in the region came together to find out about how they could contribute to our collective aspiration for the East Midlands - to become a Top 20 region in Europe.

As Chairman of *emda* for those 3 years, I have witnessed at first hand how there is a buzz about the East Midlands, brought about by so many different people with wonderful ideas coming together to try to make a difference - to themselves as individuals, or for their communities, or where they work, or go to school or college.

Everywhere I go in the region I see the impact of this enthusiasm and hard work - derelict landscapes being revitalised, small communities taking responsibility for the services that they need, new businesses springing up in the rural areas, more and more opportunities for

people of all ages to get desired skills, potentially world-beating centres of excellence being created by our universities and businesses...the list is endless.

Three years on, and many more individuals and organisations in the region have enthusiastically welcomed the development of this edition of the strategy. And, 'Top 20 in Europe' has become synonymous with the East Midlands - the region is now on the economic development map. Everybody deserves congratulations for generating this momentum. The road to 2010 is now not so long and this edition of the strategy sets out what more we need to do to realise our regional ambitions. *emda* has prepared this strategy, but it is based on the very many contributions we have received from individuals, businesses and organisations all over the region. The response to the formal consultation exercises was excellent, and we also had many helpful views and constructive comments outside the formal events.

We will only achieve the goals we have jointly set ourselves in this strategy, through a similar co-operative effort. By this I mean pooling ideas, working together on agreed projects, and by sharing our experiences - finding out what works, and what doesn't work.

The pledge I give you on behalf of *emda* is that we will continue to do all of this. But, in particular, we will take responsibility for working with all of you, to ensure that all of the activities listed here, actually happen. That is what I mean by acting as the regional catalyst.

The shared understanding of what we are trying to achieve for the region is here in this document. I would like to say thank you to everybody who has helped us to put this together and I look forward to working with you, in building new stepping stones towards our Top 20 ambition.

A stylized, handwritten signature in dark ink, appearing to read 'D. Mapp'.

Derek Mapp
March 2003

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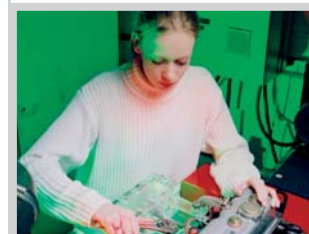
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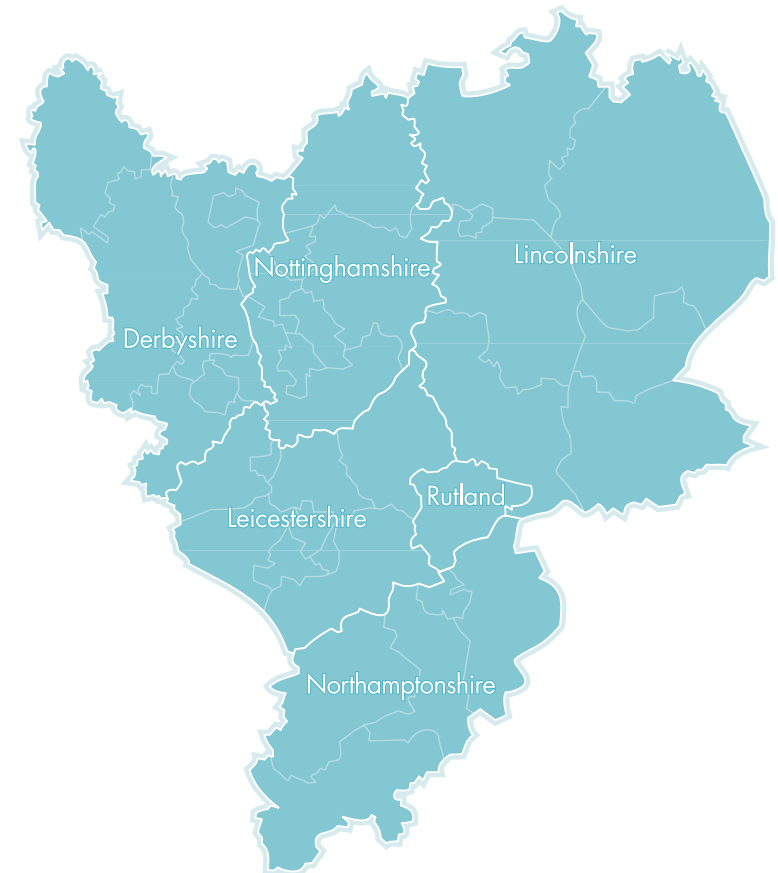
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employment and skills

enterprise and innovation

climate for investment

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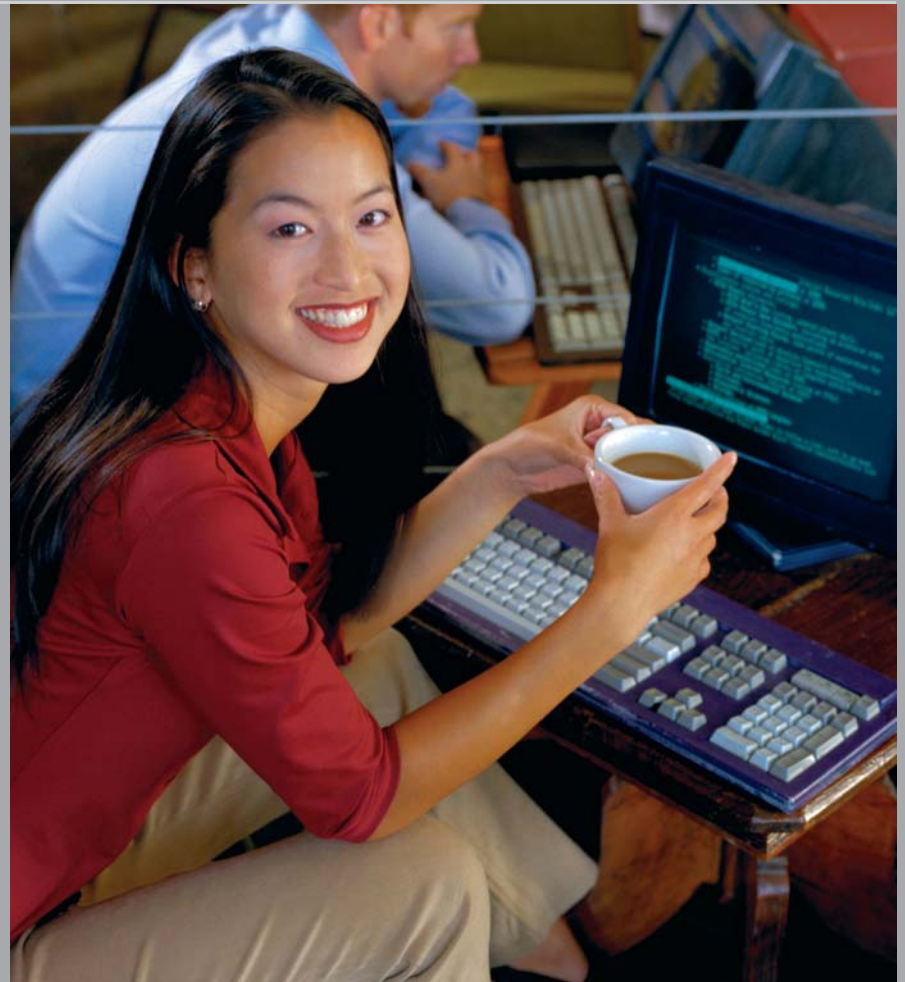
introduction



introduction



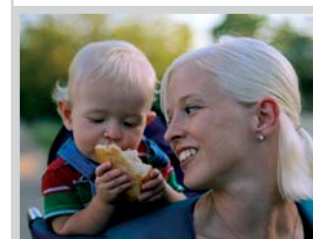
This is the second edition of the Regional Economic Strategy which was first published in 1999. Three years on, it was time to look at the performance of the East Midlands' economy to see how the region was doing in its ambition to become a Top 20 region in Europe by 2010.





Photograph: Mansfield i-Centre

...this strategy is intended to be the **blueprint** for **economic development** over the next 7 years...



The development of this strategy started in 2001. *emda* commissioned a large scale research project to look at the economic performance of the region against a wide range of indicators. Regional stakeholders contributed to this project through workshops, focus groups and extensive inputting of data. The resulting report, prepared by DTZ Pieda Consulting, was published in April 2002 as *The East Midlands: The State of the Region's Economy*.

In May, *emda* issued a consultation document 'Towards the Top 20' based on the findings and implications of this study. This formed the basis of the consultation exercise which took place during June and July on a way forward on a Top 20 Index, the structure of the revised strategy and proposed activities to be pursued. The results of this consultation were distilled into the draft revised Regional Economic Strategy, which was published as the basis for the second stage consultation exercise in October and November 2002. Summaries of both stages of the consultation have been published separately (see Appendix 4).

Destination 2010 therefore has developed from the many views of individuals and organisations in the region and sets out the refreshed plans to achieve the regional ambition of Top 20 in Europe.

This strategy has been developed as the high-level strategic framework, which can be used by public sector partner organisations as well as businesses and the voluntary sector in the region, for their own business planning.



In this way, the collective effort and resources of all regional stakeholders will work towards the same objectives and targets.

This strategy is intended to be the blueprint for economic development over the next 7 years.

Destination 2010 forms the economic component of the *Integrated Regional Strategy - a Framework for Sustainable Development (IRS)*, a comprehensive regional approach spearheaded by the East Midlands Regional Assembly. The other 3 components of the IRS cover social, environment and spatial issues.

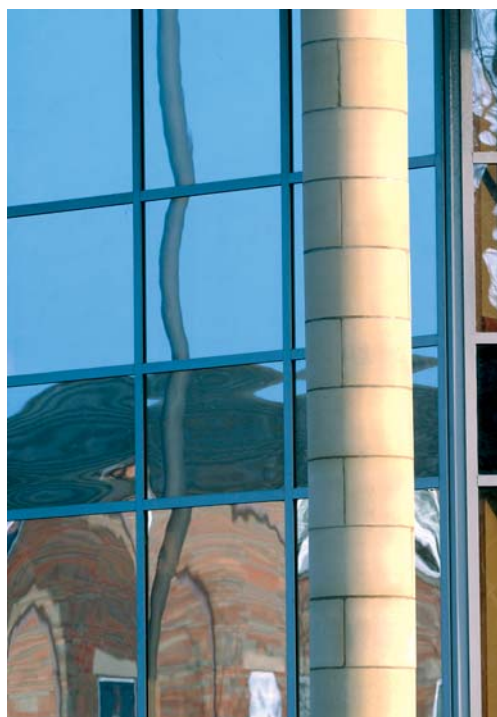
Destination 2010...has developed from the many views of individuals and organisations in the region...



what **our region** will look like in 2010



By 2010, the East Midlands will be widely acknowledged, in the UK and beyond, as one of Europe's 'Premier League' regions.



It will have achieved this through the talent and entrepreneurship of the people living and working here. More people than ever will have taken the leap and set up their own business. This will see the number of new enterprises starting up and surviving each year grow by more than 10%.

Industrial transition will have continued at a pace and although the number of manufacturing jobs in the region will be half of those in 2000, it will still contribute 25% to the income, or GDP, of our region. For this to happen, each of those jobs will be more than twice as productive as the industry moves into higher value areas of manufacturing. Manufacturing will be valued as a career in the high growth, cutting edge arena of business.

Other areas of business will have grown dramatically to provide more and better-paid jobs. This will include growth in business services, consumer leisure, health and education and in tourism.

In short, the East Midlands labour market will remain in Europe's top 10.

Pictures top and left: by Simon Bolton. Top right: Supplied by East Midlands Airport.

what **you will see...**

The cranes have moved on, new buildings are in place, business is booming - the future looks bright for the East Midlands.

As you touch down at East Midlands Airport, the biggest freight hub outside London, it will be hard not to notice the transformed skyline of the East Midlands. Where derelict coalfields once stood, business parks have sprung up and are filled with successful and innovative companies. The city skylines spell out a new confidence, whilst the countryside will justify the reputation 'clean and green'.

Passengers travelling to the region, right in the heart of England, are constantly increasing, whether they are taking part in international conferences or visiting some of the UK's best tourist spots, such as the World Heritage Site at Derwent Valley in Derbyshire.

...**learning opportunities** available to East Midlands people will be **world class** in quality and diversity...



Increased investment and focus in our schools and colleges will have raised the levels of basic skills and qualifications significantly, leading to a new confidence in individuals and communities. There will be a thirst for learning and a desire in people to keep aiming higher. Our highly regarded further and higher education institutions will have evolved to provide even more opportunity for learning. People will find it even easier to acquire new skills, to retrain, to develop their career aspirations, enabling them to take new career directions throughout life.

Distinctions between employment, self-employment, individual self-improvement and working with communities will have blurred and we will all be acknowledged as students, entrepreneurs and volunteers throughout our lives.

In short, the menu of learning opportunities available to East Midlands' people will be world class in quality and diversity.

when **you visit**.....

Visitors to the cultural quarter in Leicester can see many attractions, which include the performing arts centre and new premises for fledgling creative industry businesses.

People visiting the region can stroll around the waterside development in Nottingham, which has transformed the Trent riverside into an area where businesses, housing and leisure facilities sit comfortably side by side.



Our continuing advances and investment in healthcare will have significantly improved our standards of health and life expectancy. But much of the improvement will have arisen from the emphasis on preventative healthcare and individuals taking responsibility for a healthy life.

what about **our businesses**.....

Firms working in the same area of expertise including textiles, aerospace, healthcare and creative companies have joined together to build strong networks to compete within the European and global markets. The network of healthcare companies has helped create the biggest biomedical science park in the UK if not Europe. BioCity in Nottingham, home to cutting edge healthcare and bioscience firms, has already generated about 5,000 jobs and is an internationally recognised centre of excellence.

Picture left: The Waterside development, Northamptonshire.



...fusing their **historical continuity** with a **passionate** embrace of the future...

Picture right: BioCity, Nottingham.



Just as successful is our world-leading energy efficient motorsport industry, which has influenced automotive companies all over the globe to be as environmentally friendly as possible.

By 2010 thousands of people will have set up their own businesses. They will be supported by a series of networks capable of offering advice and assistance, encouraging them to think innovatively.

As we develop our economy, a strong focus on being economically inclusive will have led to a decrease in income disparities between communities across the region. Or, in other words, the gap between the haves and have nots will have narrowed against the general run of experience in the developed world.

In particular, the former coalfields in the north of the region will have found a new sense of confidence through an ability to attract 'new technology'

Picture left: ©AstraZeneca R&D Charnwood, 2003.

businesses, and unlocking the potential of local entrepreneurs. The region's cities will have seen substantial - though yet to be completed - renaissance through private/public partnerships combining physical transformation with economic and community regeneration. The cities will be powerhouses of arts, culture and leisure, economic and lifestyle change. And in the south of the region, Northamptonshire will have helped to provide a solution to the housing and growth pressures of the south-east of England.

In the region's rural areas, the continued transformation of farming - and its increased release from the constraints of the Common Agricultural Policy - will have seen increased leisure and tourism spending. This will combine with the rapid changes in information and communication technology that will have produced a renewed vibrancy in our towns and villages. They will have fused their historical continuity with a passionate embrace of the future.

...a society where **age and experience are vital**
to the success of the economy...

Photograph below: Supplied by MEEM. Right: Nottinghamshire Police.

Transport, both public and private, will have shown real signs of improvement. There will be more investment; for example, the light rail systems, actual or planned, in our cities. We will be greener with our patterns of work and leisure travel.

Picture: Midland Mainline



and **our people**.....

Highly skilled and talented people choose to live in this Top 20 European region and in communities that are working together to make a real difference to their local economies and social well being. Help is now at hand for people who live in disadvantaged neighbourhoods who have dreams, passions, and the potential to create and grow their own business. Support networks are in place in every community, which means that people can realise their business ambitions in a supported environment at the heart of the community.

Optimistic young people queue up to attend the eight top class universities in the region and aspire to one day work in one of the highly successful and thriving East Midlands' industries.



Initiatives are in place to make sure that the skills of our increasingly mature population match demand in the workplace as we move towards a society where age and experience are vital to the success of the economy.

Naturally, human nature won't have changed and there will still be a need for law enforcement to keep our region safe and successful. But again, the approach will be increasingly preventative, and the





by 2010 we shall
not have achieved
Utopia, but we
shall have
improved the East
Midlands...not as
an end in itself,
but as a stepping
stone to improved
quality of life

...a stepping-stone to **an improved quality of life...**



emphasis will be on ensuring economic opportunity for all in a decade of change. This will have provided the opportunity to break free from a life at the margin of society - as the East Midlands collectively invests in people from all walks of life. Diversity - of race, culture, lifestyle - will be welcomed and celebrated.

In all that we do economically and socially, we shall place sustainability - social and environmental - at the heart of our thinking.

By 2010 we shall not have achieved Utopia, but we shall have improved the East Midlands' performance in all its top 20 economic index aspects, whilst seeing such improvement not as an end in itself, but as a stepping-stone to an improved quality of life. The East Midlands will be a region at ease with itself, but eager to rise to the challenges of the next decade.



Photograph top: Provided courtesy of Profile Nottingham. Left: ©Leicester Promotions. Right: ©Loughborough University.

chapter **one**



employment and skills

enterprise and innovation

climate for investment

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chapter one



setting our sights - **Top 20** in europe



The ambition to be a Top 20 European region, set out in the first edition of the strategy, is reaffirmed:

By 2010, the East Midlands will be one of Europe's Top 20 regions. It will be a place where people want to live, work and invest because of:

- Our **vibrant economy**
- Our **healthy, safe, diverse** and **inclusive society**
- Our **quality environment**



chapter one



Photograph: ©University of Derby

...“Top 20” provides the impetus for **everybody in the region** to refocus what they are doing...



The Top 20 ambition explicitly recognises the importance of integrated economic, social and environmental development, and is the starting point for measuring regional prosperity. “Top 20” provides the impetus for everybody in the region to refocus what they are doing – a step change in impact is needed – to achieve the future that we wish our children to inherit.

The progress of the East Midlands towards the Top 20 will also depend on the progress, or otherwise, of all the other European regions as it is a comparative and not an absolute measure.

The chosen measures must be reliable and capable of comparison with other European regions. In this context, “Europe” means the 77 European Union regions for which Eurostat collects data. Some of these are cities such as London and Berlin; some are countries such as Sweden and Ireland; others are regions such as the those in England.

Photographs top two opposite: ©University of Nottingham.

top 20 index

A key measure of economic success is income, or GDP per head. To match the other aspects of the Top 20 ambition, measures relating to jobs, equality and the environment are also important. For the latter two, the robustness and availability of data has constrained the choice of indicators that can be used. Nevertheless the final choices are all clearly related to the stated ambition.



A Top 20 Index has been developed which combines the following indicators:

Income

GDP per head

Employment

Employment rate

Unemployment rate

Equality

GVA disparity between highest and lowest localities

Environment

Energy use

Waste production

Photograph left: ©Salzburg Tourism, Austria.

TOP 20 REGIONS

Zuid-Nederland

Aland, Finland

Emilia-Romagna, Italy

Hamburg, Germany

Lombardia, Italy

Denmark

Westösterreich, Austria

Bremen, Germany

Nord Est, Italy

Oost-Nederland...



...the **aim is to achieve**, at least, the position of 20, by 2010...

TOP 20 REGIONS

...Luxembourg
West-Nederland
Österreich, Austria
South East, UK
Nord Ovest, Italy
Ireland
East of England, UK
Bayern, Germany
London, UK
Sweden

Explanations and a full description of the components of the Index, and background data are given in Appendix 3. The progress of the overall Index, as well as the individual components, can be tracked on the basis of published Eurostat data.

As at December 2002, the East Midlands' Top 20 Index position is 35.

The aim is to achieve, at least, the position of 20 by 2010.



emda will monitor the progress of the Index and will publish the latest positions on an annual basis, using the latest data available.

regional targets

In addition to the Top 20 Index, the economic performance of the region will be measured against a number of regional targets which are included in Chapter 3. These regional targets will be monitored to measure the progress of the East Midlands in absolute terms, as opposed to the region's comparative performance at the European level. This progress will be published as part of the *East Midlands State of the Region* report, which the East Midlands Assembly will prepare annually, covering all the targets and indicators that are set out in the Integrated Regional Strategy.

Descriptions of these regional targets, with baselines, numbers and sources of data are given in Appendix 3.

Photograph left: Rockingham Speedway, Northants.



chapter **two**



employment and skills

enterprise and innovation

climate for investment

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chapter two



the **big** picture



chapter two

The successful outcome for the East Midlands of this strategy is a competitive region *and* sustainable communities. This twin-track approach, which is intended to deliver sustainable development, is reliant on the impetus provided by three economic drivers. These interconnections are explained in this Chapter and provide the context for the detailed proposals and targets set out in Chapter 3.



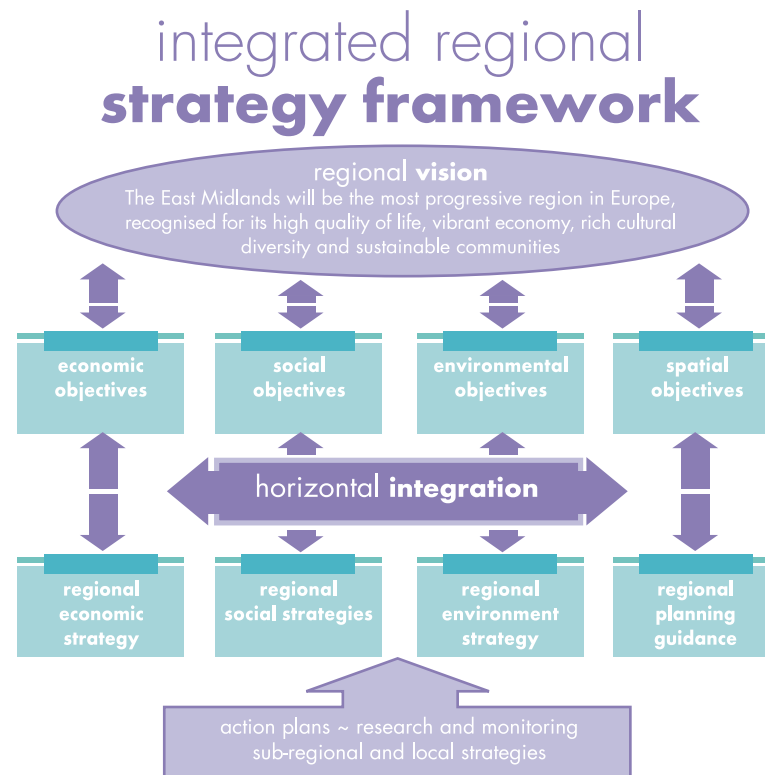
...sustainable development is about **ensuring a better quality of life for everyone** in the region, now and for generations to come...



sustainable development

In order to achieve the Top 20 vision, the development of the region's economy must be sustainable. In other words, it must be part of an integrated approach that seeks the achievement of economic, social and environmental progress in harmony. Sustainable development is about ensuring a better quality of life for everyone in the region, now and for generations to come. Economic growth at any cost is simply not an option.

The East Midlands framework for Sustainable Development is the *Integrated Regional Strategy (IRS)*. The figure across shows how this economic strategy fits within this framework. The Top 20 economic vision is consistent with the overall IRS vision of the East Midlands becoming the most progressive region in Europe.



OUR PLEDGE

The Regional Assembly endorses the regional economic strategy and is keen to work with *emda* and other partners to ensure that it is fully implemented for the benefit of the region.

The Regional Assembly



...this strategy has **two aspirations**...to deliver a **competitive region** and at the same time to ensure that the region has **sustainable communities**...

sustainability appraisal

In order to assess whether this economic strategy would indeed contribute to sustainable development in the region, and whether it would be compatible with the other elements of the IRS, an independent sustainability appraisal was carried out on the draft of the strategy that was issued for consultation. This enabled *emda* to be advised of any inconsistencies between the draft and the IRS, and thus take account of them in this final strategy. The approach used in the independent appraisal was that developed by the East Midlands Assembly. The most negative, or potentially negative, impacts were identified in relation to transport and tourism and these, as well as all the other proposals in the appraisal, have been taken into account in the preparation of this final version of the strategy. An Executive Summary of the appraisal report is at Appendix 1.

economic development

Thus, this economic strategy focuses on the economic agenda, but it seeks to do so in a way that links effectively with the other components of the Integrated Regional Strategy. (IRS)

The strategy has two high-level aspirations of equal weight - to deliver a *Competitive Region* and at the same time to ensure that the region has *Sustainable Communities*. The focus of the latter is on economic inclusion and the environmental aspects of economic development and links strongly to the social and environmental objectives of the IRS.

The strategy is underpinned by 3 *Drivers of Success*, with linked objective:

- Employment, Learning and Skills
- Enterprise and Innovation
- A Climate for Investment

The figure on page 21 shows how these drivers feed into the high-level aspirations and defines the terms used. The issues to be tackled are set out in more detail in Chapter 3.

Photograph: Powergen buildings, Castle Donington.





Photograph left: ©University of Nottingham. Right: ©Derby City Council.



The East Midlands will become a **Competitive Region** - where businesses want to invest - as a result of:

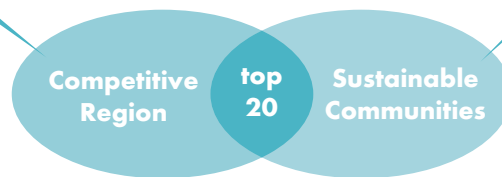
Modernisation of the region's industrial base, responding to opportunities arising from the growth in the knowledge economy

More demand for higher-level skills in the economy

Individuals being more motivated to learn new skills and start up new businesses

Improvements in the region's transport and communications infrastructure and ready access to quality employment land and premises, making it a more attractive proposition for investors

high level aspirations



The East Midlands will have **Sustainable Communities** - where people want to live, work and visit - with the following characteristics:

Social Exclusion is tackled through *Economic Inclusion*. This is ensuring that all individuals and communities have the opportunity to participate in the economy and to share the benefits of growth

Disadvantaged communities become more enterprising as a result of increased economic activity within them, particularly from self-employment and social enterprises

Cleaner, more efficient use of resources

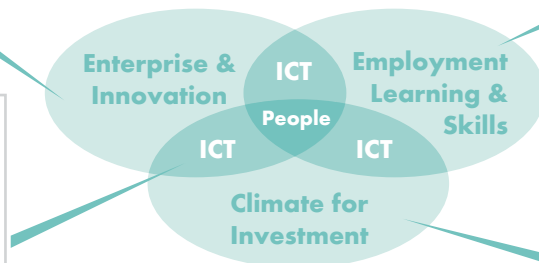
A high quality environment - adverse impact on the environment from economic development is kept to a minimum, for example, by building on previously used land where possible

Objective : To develop a strong culture of enterprise and innovation, creating a climate within which entrepreneurs and world-class businesses can flourish.

Information and Communications Technologies

ICT is an important connecting theme within the strategy. ICT knowledge is increasingly essential for jobs as well as to the delivery of learning; businesses cannot function without using ICT and need to increase the breadth and depth of ICT use; ICT infrastructure is essential to support all of this

drivers of success



Objective : To create high-quality employment opportunities and to bring about excellence in learning and skills, giving the region a competitive edge in how we acquire and exploit knowledge.

Objective : To provide the physical conditions for a modern economic structure, including infrastructure to support the use of new technologies.

The figure on this page shows how the high-level aspirations relate to the drivers of success. The rest of this chapter explains these in greater detail and ends with a couple of detailed case studies, which illustrate the ways in which sustainable communities are being achieved in practice.



the objective
is about giving
a competitive
edge in how
we acquire
and exploit
knowledge

drivers of success

employment, learning & skills

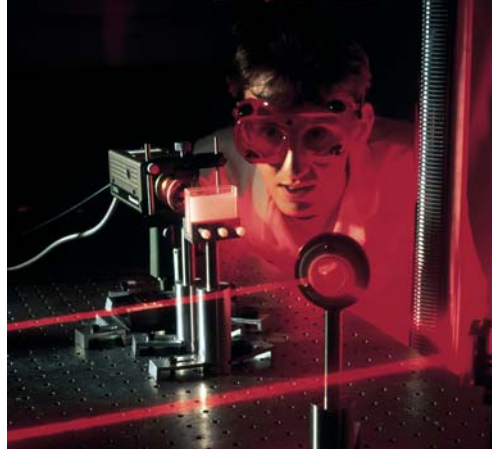
Objective : To create high-quality employment opportunities and to bring about excellence in learning and skills, giving the region a competitive edge in how we acquire and exploit knowledge.

This includes lifelong learning at all levels of attainment from basic through to higher-level skills - with the emphasis on developing those skills in the workforce that will be necessary to support better paid jobs and an increased standard of living. It takes in the development of new technology skills, including ICT, both as an end in itself and as a means of accessing other learning. The Framework for Regional Employment and Skills Action (FRESA) picks up this aspect of the economic strategy, setting out the demand for, and supply of, skills in the region.

Photograph top left: ©University of Nottingham.

employment, learning & skills - examples of activities

competitive region	sustainable communities
— Stimulate the demand for higher-level skills	economic inclusion - — Stimulate the demand for learning
— Address the skills needs of priority clusters	— Improve the access and quality of information, advice and guidance to individuals
— Encourage graduate retention	— Improve the levels of basic skills
— Develop the skills of owner/managers	— Improve access to childcare
— Promote skills for enterprise	— Provide access to learning in rural areas
— Promote the benefits of learning	— Promote self-employment as a career option



Photograph left: ©University of Nottingham. Right: The New Business New Life Exhibition 2003.



enterprise & innovation

Objective : To develop a strong culture of enterprise and innovation, creating a climate within which entrepreneurs and world-class businesses can flourish.

This includes encouraging new business starts; improving the performance of existing businesses; attracting business and tourist investment from outside the region; developing new technologies; stimulating greater use of ICT; stepping up the commercialisation of research by higher education; exploiting trade opportunities; diversifying the industrial base in rural areas; and encouraging the growth of social enterprise. At the heart of this driver is the need to strengthen the region's manufacturing base to include jobs that require a greater level of skill and technology, and through better developed support and professional services sectors.

enterprise & innovation - examples of activities

competitive region	sustainable communities
— Develop the 'New Business, New' Life campaign	economic inclusion - — Social Enterprise East Midlands
— Cluster development, including BioCity and Manufacturing Centre of Excellence	— Enterprising Communities Toolkit (see case study on page 25)
— Improve the delivery of business support activities	— Tailored business support in rural communities
— Attract inward investment, making greater use of the 'British Midlands' brand	— Support the development of ethnic minority enterprises
— Establish a Regional Science & Technology Council	— Build the capacity of the voluntary sector to support local economic development
— Develop a network of innovation centres	— Support the growth of social capital - the glue that holds communities together
— Provide incubators for science and technology start-ups	environmental sustainability - — Develop the environmental industries sector
— Facilitate knowledge transfer from universities to businesses	— Promote a more resource-efficient business culture
— Support the development of niche tourism products such as cultural tourism	

creating
a climate
within which
entrepreneurs
and world-class
businesses
can flourish



Photograph right: Courtesy of Profile Nottingham

provide the
physical
conditions for
a modern
economic
structure

climate for investment

Objective : To provide the physical conditions for a modern economic structure, including infrastructure to support the use of new technologies.

This includes all aspects of the physical infrastructure necessary to support economic success - the development of employment sites; the economic aspects of transport; planning and housing; redeveloping land to create environmental improvements; and the infrastructure necessary to support the wider use of ICT.

Photograph: Top: Kettering Business Park.

climate for investment - examples of activities

competitive region

- Improve the provision of quality employment land
- Invest in the region's transport infrastructure
- Growth of East Midlands Airport as a national freight hub and regional passenger airport
- High specification ICT locations giving fast access to the web
- Building a Centre of Excellence in Economic Development
- Developing the East Midlands Planning Charter

sustainable communities

economic inclusion -

- Rural regeneration, including transport and ICT access, and a focus on market towns
- Urban regeneration, including Urban Regeneration Companies and designing out crime

environmental sustainability -

- Development of previously used land, for example: in the former coalfields (see case study on page 26)
- Comprehensive delivery of multi modal studies, including public transport provision at East Midlands Airport
- Increase electricity generated from renewable sources

...enabling local communities to develop
real economic opportunities...



case studies to illustrate sustainable communities

The **Local Alchemy Initiative** enables local communities to identify and develop real economic opportunities appropriate to individual and community aspirations and the market opportunities available.

As such, the types of activities which local communities undertake as part of this programme is dependent upon a number of local conditions. A key element of the programme is to support existing enterprise and increase the number of businesses starting up in disadvantaged neighbourhoods.

The first phase of the programme could reveal that one of the main opportunities for the community is to support small business development. This will involve working with local business support agencies to create a one-stop shop business support unit which:

- provides low-cost managed workspace for budding local entrepreneurs
- provides local entrepreneurs with the skills they need to run their business
- links together local enterprises in buying and selling relationships
- provides small enterprises with advice about legal structures
- helps entrepreneurs access appropriate finance packages to meet their start-up or expansion needs

The one-stop shop could be generic, focusing upon all industrial sectors. Alternatively, dependent upon local conditions and opportunities, the business support unit could focus on a particular industry such as agricultural diversification in rural areas or tourism in coastal areas.



Photographs right and top: Provided courtesy of Sellers & Rogers, Nottingham.

increase the
number of
businesses
starting up in
disadvantaged
neighbourhoods



OUR PLEDGE

The North Derbyshire and North Nottinghamshire SSP will strive to strengthen wealth creation in the sub-region and work to complete the transformation of the local economy.

North Derbyshire and North Nottinghamshire Sub-regional Strategic Partnership



Photograph: An artist's impression of the planned Sherwood Energy Village

Sherwood Energy Village is a multi-million pound regeneration and demonstration project on the former Ollerton Colliery site in Nottinghamshire and achieves a number of key environmental, social and economic objectives in an integrated manner.

...**increased wealth** for the local community and the removal of a major eyesore from the landscape...

Key environmental objectives include decontamination of a toxic site; opportunities for increased biodiversity associated with significant swathes of new landscaped and greenfield areas; and a great opportunity for the more sustainable use of water and energy, through the incorporation of energy efficient design and sustainable drainage techniques throughout the site.

There is also an aspiration to install a renewable energy plant on the site within the next 3-4 years to serve the site and local community. This development will bring a much-needed boost to the local economy of Ollerton through increased investment in roads and building infrastructure and job creation.

Wider social and quality of life opportunities will arise from new recreation and leisure opportunities on the site associated with a new network of cycle paths, opportunities for new housing, increased wealth for the local community and the removal of a major eyesore from the local environment and landscape.

Photograph: Work starts at Shirebrook Colliery, Derbyshire.





...the engagement of **businesses** with this strategy is particularly **important**...



delivering the strategy

This strategy has been drawn up as a high level framework to guide the actions and spending decisions of both private and public sector organisations. The engagement of businesses with this strategy is particularly important. Responsibility for ensuring delivery lies with a large number of people and organisations throughout the region.

emda's role is generally as a catalyst - to get things moving - and is set out in the Foreword on page 2.

Partners and organisations around the region have made it clear that they are prepared to work to deliver this strategy and some of their pledges of support are found throughout the document. None of the activities described in this strategy will be delivered by any one organisation alone. For some activities, there is a need for a large number of people and organisations to be working very closely together.

A major new approach to delivering economic development on the ground is the formation of Sub-regional Strategic Partnerships (SSPs), which came on stream in April 2003. Their responsibilities include defining their sub-regional priorities, brigading resources and ensuring that plans are implemented. The SSPs are business-led groups that also encompass public authorities and the voluntary sector.

All of the stakeholders that are essential to the success of this strategy can be broadly assembled into 7 groupings:



Private Sector Partners

Business representative organisations.
For example: CBI, Chambers of

Commerce, trade or sector bodies, cluster groups, Business Champions, employers.



Public Agency Partners

Arts Council England, Business Links,
Carbon Trust, Countryside Agency,

Culture East Midlands, *emda*, English Heritage, English Partnerships, Groundwork, Highways Agency, Housing Corporation, Invest UK, local authorities, Lottery Boards, Regional Tourist Board, Small Business Service, Sport England, Strategic Rail Authority, Trade Partners UK, University for Industry (UFI).



Higher Education Partners

East Midlands Universities Association,
individual higher education institutions.

Photograph left: The New Business New Life Exhibition, 2003.

OUR PLEDGE

The County Council re-states the commitments driving its Strategic Plan Vision as its pledge - that it is committed to deploying resources and working with partners to ensure that Nottinghamshire will be safe, healthy, prosperous and attractive, where everyone can succeed, with fair access to opportunities and support to live a full and enjoyable life.

Nottinghamshire County Council



...stakeholders are **essential** to the **success** of this strategy...

a major
new approach
to delivering
economic
development on
the ground, is
embodied in the
Sub-regional
Strategic
Partnerships



Employment, Learning and Skills Partners

emda, Connexions, FRESA Forum, further education colleges, JobCentre+, local Learning and Skills Councils (LSCs), Sector Skills Councils.



Regional Governance Partners

East Midlands Assembly, East Midlands Regional Local Government Association, Government Office for the East Midlands.



Independent Regional Networks

East Midlands IT, Engage East Midlands, Minority Enterprise East Midlands, Social Enterprises East Midlands, TUC, VOICE, Leicester Asian Business Association (LABA).

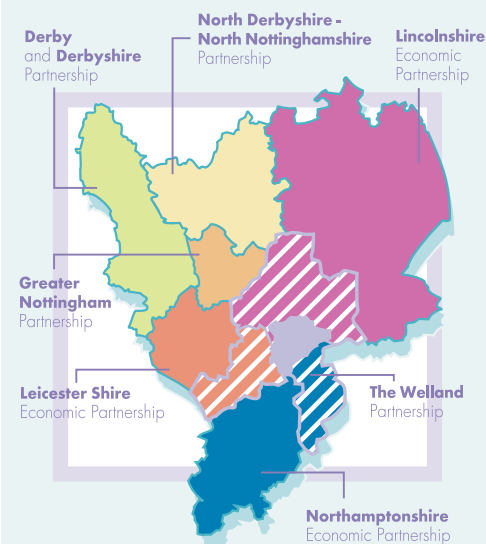


Local Partners

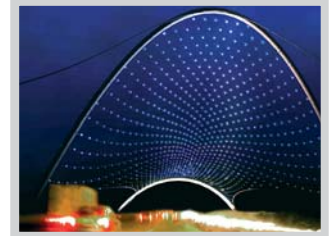
Sub-regional Strategic Partnerships (SSPs), Business Links, crime and disorder partnerships, local authorities, local businesses, local education partners, local LSCs, Local Strategic Partnerships (LSPs), rural development partnerships, urban regeneration companies, voluntary and community bodies.

The role that these partner groupings will play in delivering the strategy is set out in Chapter 3.

Sub-regional Strategic Partnerships



chapter **three**



employment and skills

enterprise and innovation

climate for investment

29

chapter three



the **road** to 2010



To understand what has to be done to reach the region's goals and to enable everybody to identify where they can make the most impact, it is necessary to look at what lies behind the twin-track approach and the economic drivers. This is set out in detail in this chapter.



chapter three



Photograph: ©Leicester Promotions

...the east midlands is the **wealthiest region** by GDP per head, outside the greater south-east...



increasing **wealth** and **productivity**

The fundamental aims of this strategy and all other associated economic strategies and plans, are to increase regional incomes and productivity.

Wealth, or income, is measured by GDP per head (see Appendix 3 for explanations and figures). The East Midlands is the wealthiest region by GDP per head, outside the greater south-east (London, the South-East and the East of England).

This is against the backdrop of an economic structure that remains heavily reliant upon manufacturing, particularly lower-skilled activities, and where the service sector is under-developed.

Manufacturing accounts for 22% of jobs, slightly less than the European Union average and compared to 15% for UK national average.

The average growth for the UK of GDP per head between 1992 and 1999 was 2.3%, with the average comparable growth for East Midlands being 2.15%. This regional figure masks sub-regional variations, which show only the cities of Derby, Leicester and Nottingham and the county of Northamptonshire with rates above UK average.

Virtually everything in this strategy is designed to lead towards an improvement in income levels for individuals in the region. This means all individuals, including those who are currently not in employment or in households with no earned income.



Improvements in economic performance will result from the combination of all the activities described in this strategy, and from the collective effort of everybody in the region, especially the private sector.

Her Majesty's Treasury Consensus forecasts for 2002-2006 - comparisons of independent forecasts - indicates an average UK growth of 2.55% with the suggestion that the East Midlands may experience a slightly higher rate during this period. However, in the short-term in 2002-2003, expectations of increased growth are 2.25-3% and 3-3.5% in 2004. It is anticipated that in the longer term, increased growth will continue.

Increased international trading and European Union expansion will intensify competition in the market place and East Midlands' businesses need to improve their current productivity levels in order to survive and expand market share.

Photograph left and top: AstraZeneca taken for emda

OUR PLEDGE

EMUA and all its member higher education institutions will continue to contribute to economic prosperity and the quality of life in the East Midlands, with an emphasis on innovation and the provision of higher level skills.

East Midlands Universities Association



OUR PLEDGE

The economic well-being of the area can now be achieved by all partners working together to address the challenges highlighted for the benefit of our residents, workers, businesses and visitors alike.

East Northamptonshire District Council

Productivity in the region, measured by GVA (growth per capita and per hour worked) is lower than the UK as a whole, although the difference from year to year is not constant. Between 1989 and 1999, the average annual growth rate in GVA per capita for the East Midlands was 2%, the same as the UK average growth rate. However, looking at the rate of change of GVA per hour worked in the East Midlands over the past 20 years, a worrying trend emerges and there is evidence that the annual growth rate is slowing. This trend is also confirmed by analysis of data for GVA per employee where average rate of growth has only been around 1% per year since 1996.

Some parts of the region are still strongly associated with traditional sectors that have experienced significant decline in recent years such as mining, textiles and footwear. In these areas, there is a lower skills or education base.

The mounting evidence of a low-productivity, low-pay, low-skill equilibrium in the East Midlands is

nevertheless accompanied by a buoyant labour market which means that there is little incentive on the part of businesses or individuals to try to improve their technology or skills.

targets for GDP and productivity

Regional targets have been set for GDP and productivity. These two targets will be directly affected by the achievement, or otherwise, of all the other regional targets set out later in this Chapter. They are also highly sensitive to the performance of the world economy and Government policy. In particular, the achievement of this strategy will be influenced by any decision on UK entry into the European Single Currency.

Photographs: Top and right ©Loughborough University.

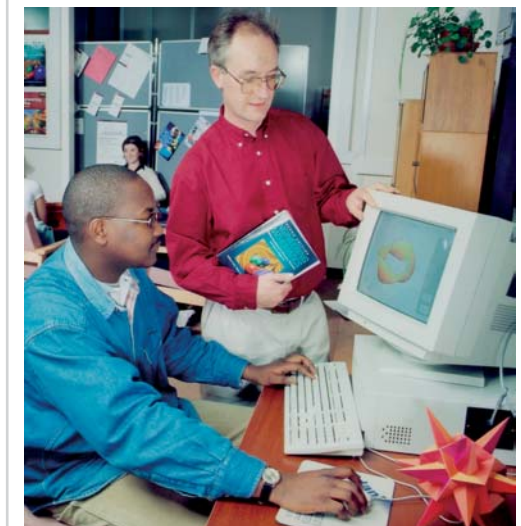
targets

Trend rate of GDP growth per capita of 2.3% (2001-2005) and 2.5% (2006-2010)

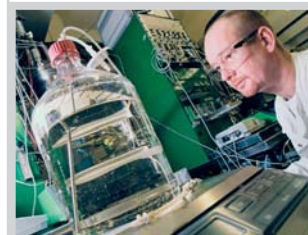
Increase GVA per hour worked by an average of 0.7% pa to 2010

Maintain trend rate of GVA growth per capita of 2.0% by 2005

Increase trend rate of GVA growth per capita to 2.5% by 2010



...improving the **performance** of the manufacturing sectors is **fundamental** to **increasing GDP** and **productivity**...



manufacturing and cluster development

Given the size of the manufacturing sector in the East Midlands, improving the performance of the manufacturing sectors is fundamental to increasing GDP and productivity. East Midlands' companies must move towards newer technology and high skilled manufacturing. This will require higher levels of investment and innovation.



An enhanced range of support services will be necessary to support this upgraded manufacturing. Many of the challenges described in this strategy and many of the Key Activities will directly support the development of manufacturing.

A comprehensive account of manufacturing in the region, the challenges and proposed solutions, is contained in *Manufacturing in the Regions: East Midlands*.

The cluster development programme which has been underway in the region for nearly 3 years, is targeted at those niche sectors that have the potential for growth.

A cluster is a group of industries and organisations that are linked together in buying and selling relationships, or which share the same infrastructure, customers, technologies, or skills base, and whose linkages enhance competitive advantage.

Picture left: Supplied courtesy ©PERA

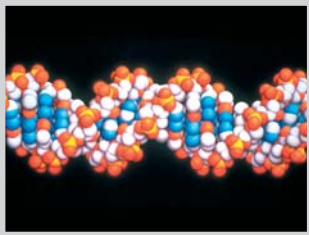


Picture above: Omron, taken for emda. Top right: ©Spike Photography

OUR PLEDGE

The University of Derby is committed to widening participation, to the development of higher level skills and the transfer of knowledge to business, in support of the economic development of the region.

The University of Derby



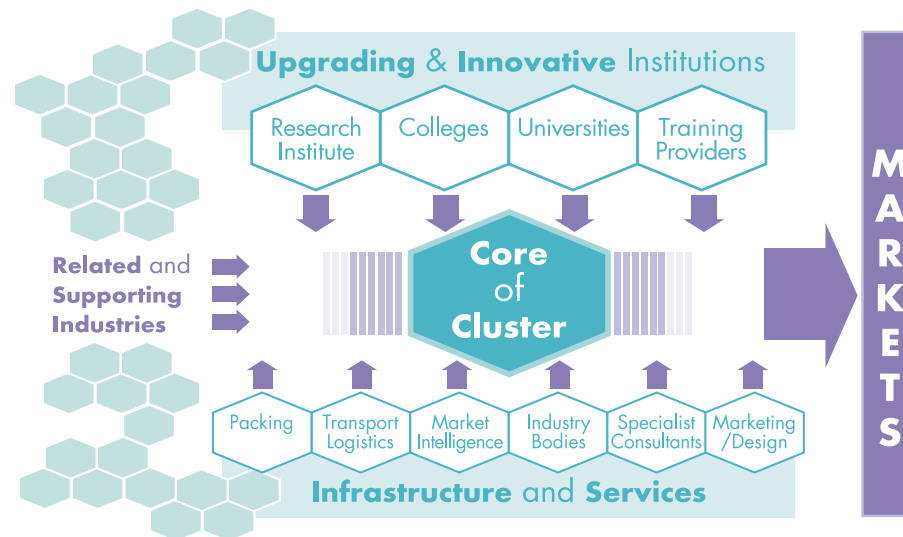
...cluster linkages **support structures** that will together enhance profitability...



OUR PLEDGE

The Nottingham Trent University is committed to a strategy of innovation and entrepreneurialism, developing common agendas between universities, business and government to contribute to the economic development of the region.

Nottingham Trent University



This figure shows that clusters are business-led but support institutions also participate such as universities, research organisations, local government, business support agencies. Clusters enable linkages to be made with all the support structures that will together enhance profitability.

The East Midlands cluster development programme has concentrated on:

High performance engineering - with the focus on motorsports and aerospace

Clothing and textiles - concentrating on design-led fast turn manufacturing and technical textiles

Food and drink - with the emphasis on food technology

Healthcare - focusing on bio-science

Creative industries - particularly new media

Further clusters will start to be developed as the initial tranche mature and become self-sustaining through their business networks.

The **Environmental Technologies** cluster is under development following the publication in October 2002 of the *Environmental Economy of the East Midlands*.

Many of the requirements of business that are being identified through cluster development are common - access to finance, greater collaboration with universities, incubator and second phase expansion space for spin-out companies, enough skilled workers at both degree and technician levels. All of these are addressed in this strategy.

...the **region's** organisations and businesses will need to focus on the **Key Activities** if economic performance is to improve ...



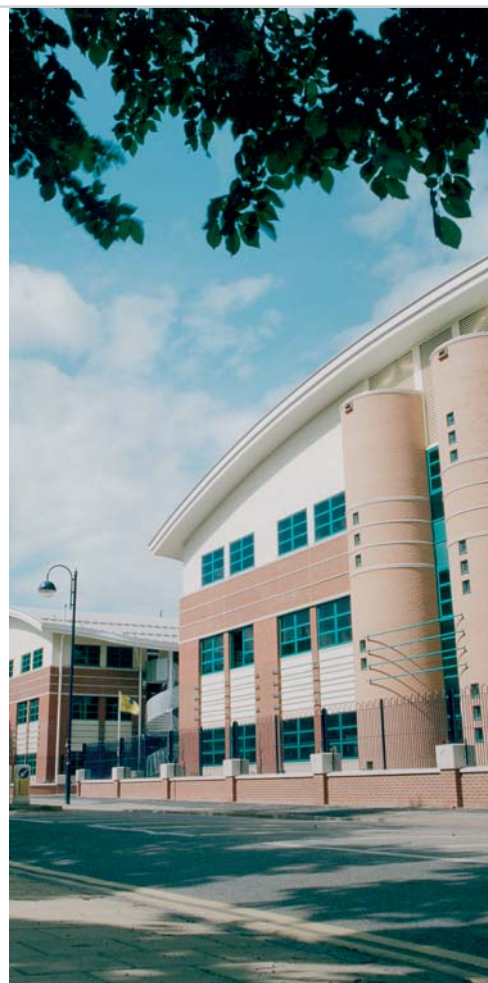
the **12 strands**

The rest of this chapter is set out under 12 headings, or strands, which collectively cover all the issues which are important to the East Midlands. Each of these sets out the regional context in brief, the headline Key Activities necessary to meet the challenges described and regional targets for 2005 and 2010. Full details of the regional issues are in the *State of the Region's Economy* report (for availability see Appendix 4). Many of the region's organisations and businesses will need to focus on the Key Activities if regional economic performance is to improve.



- 1 Enterprise
- 2 Enterprising communities
- 3 Employment, learning and skills
- 4 Innovation
- 5 International trade and inward investment
- 6 Economic growth and the environment
- 7 Site provision and development
- 8 Transport
- 9 Information and communication technologies
- 10 Tourism and culture
- 11 Rural development
- 12 Urban regeneration

Photograph left: Brayford Wharf, Lincoln.





Against each of the Key Activities is shown those partner groupings that will play a major role in the delivery of the Regional Economic Strategy. (See pages 27 and 28).

This illustrates the point that a range of organisations will need to co-operate on the delivery. In some instances, a single organisation or group of organisations is shown where appropriate. The lead organisation or grouping is highlighted with a box. (See the key in 'the Strands' section starting on page 37).

The *Urban regeneration* strand closes this economic strategy. The appendices provide more detail on the Sustainability Appraisal, the economic profile of the region, and targets. They also provide explanations of the plans referred to, and the terms used in this strategy.



Photographs top and right: ©Derby City Council.

the twelve **strands**



- 1 enterprise
- 2 enterprising communities
- 3 employment, learning and skills
- 4 innovation
- 5 international trade and inward investment
- 6 economic growth and the environment
- 7 site provision and development
- 8 transport
- 9 information and communication technologies
- 10 tourism and culture
- 11 rural development
- 12 urban regeneration





enterprise

the challenges

this strategy has
enterprise at
its heart...
in all parts of
the region and
community



The key issues are to stimulate an enterprise culture at all levels of society; to increase the numbers of new businesses that start up in the region and survive; to upgrade the manufacturing base by improving the operations to increase productivity, as well as encouraging the growth of more profitable sectors; to ensure that the business support that is required to underpin this change is available; and to provide better access to finance for growing businesses.

This strategy has the promotion of enterprise at its heart. This means promotion in all parts of the region and in all communities. The means of doing this will vary between localities and between communities. The *Urban regeneration* and *Rural development* strands describe the issues in those localities. The challenges within the disadvantaged communities are described in *Enterprising Communities*.

The development of enterprise is inextricably linked to the availability and improvement of skills, and to the provision of the appropriate infrastructure. In particular, the future success of the SME sector in the region will depend on the willingness to embrace management development - see *Employment, learning and skills*.

Photograph left: ©Toyota, Burnaston, Derbyshire.

It is critical to change the long-term attitudes to entrepreneurship and to develop a more enterprising culture. Many of the region's most educated people are in the public sector. More such people need to consider harnessing this knowledge to establish businesses in the private sector. This attitude change should start in schools and with young people, who will have to shoulder the burden of future economic growth. There are plans for increasing support through Young Enterprise, Shell LiveWire and the Princes Trust. Business Champions are also increasingly involved in working with individual schools.

At the business start-up level, approximately 30,000 VAT and non-VAT registered businesses



...much of the **employment** in the region in 2010 will be in businesses that do not exist in 2002...

Photograph: Jo Katy Wood of 'Spiriti'

strand one



start up annually in the region. The *New Business Start-Up Policy in the East Midlands* report showed that 75% of all new employment between 1995 and 1999 was created through new business starts. Much of the employment in the region in 2010 will be in businesses that do not exist in 2002. The East Midlands performs relatively poorly in new registrations, being fifth out of the English regions and below the UK average.

While many new small businesses never grow above the VAT threshold, the measure gives a good indication of the vitality of the business base.

Of the 2m people employed in the region, approximately 1.44m are employed in SMEs - the largest concentration is in manufacturing - 25.5%, followed by retail at 20%.

The manufacturing sector accounts for 27% of GDP within the region (compared with 19% UK GDP). Manufacturing accounts for 8.7% of all regional companies.

While it is essential to improve the structure of the business base in the region by introducing more businesses in newer technology areas, it is a fact that the bulk of businesses in the region in 2010 will be in the traditional sectors, often having to deal with diminishing markets. These businesses will need to refocus on their markets to deal with changing conditions. The international dimension of this is covered under *International trade and inward investment*.



A large-scale effort will be required to encourage as many businesses as possible to add value to their operations - perhaps through better use of technologies, or a greater understanding of the new customer opportunities - to improve their profitability and increase their productivity.

A key part of this will be the Regional Centre for Manufacturing Excellence based at PERA in Melton Mowbray. This provides the Manufacturing Advisory Service, which helps SMEs improve quality and productivity and offers access to latest manufacturing technology.

The high growth sectors will need to be nurtured - the focus of this will be cluster development.

The contribution of minority enterprises to the East Midlands' economy is currently unknown and the needs of existing minority business are being researched.

Photographs left and top right: supplied ©PERA

OUR PLEDGE

Leicestershire Asian Business Association, Europe's oldest minority business network, fully endorses the revised economic strategy for the East Midlands.

As stakeholders, our members are actively committed to the prosperity and the socio-economic development of our region. We look forward to playing a direct and integral part in the region's future.

Leicestershire Asian Business Association Ltd



Photograph left: The Owl and the Pussycat, Coalville, Leicestershire.

...place greater emphasis on championing the role of **women in business**...

OUR PLEDGE

The North Derbyshire Chamber pledges to harness the resources and expertise of the Chamber with the support and influence of North Derbyshire business to achieve our identified targets and key activities. To work actively with other partners and *emda* to help deliver the strategy and realise the potential available in the North Derbyshire area of the region.

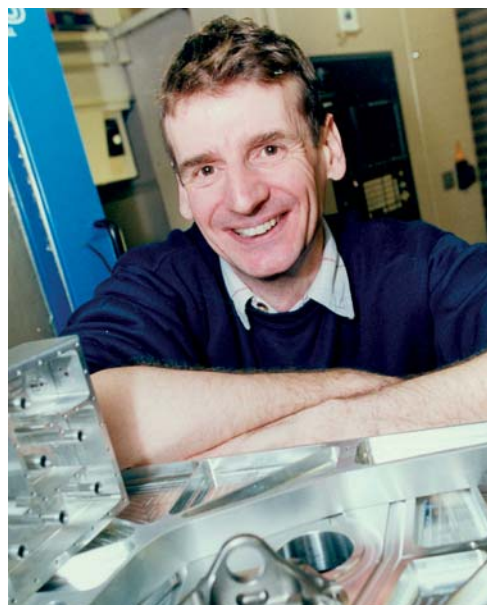
North Derbyshire Chamber

For minority enterprise, it is insufficient simply to encourage businesses to enter mainstream markets. The challenge is how to engage some of these very entrepreneurial businesses in new business opportunities arising in expanding markets and cluster areas, thus providing a real opportunity for sustainable business development and inclusion within the East Midlands.

There is a need to place greater emphasis on championing the role of women in business. Although the rate of total self-employment increased by 86% between 1981-97, women still account for only 26% of the self-employed. There are issues specific to women that need to be taken account of in developing women entrepreneurs, particularly subsidised or free childcare, tax incentives, incentives to train and so on. Innovative approaches to tackle these are required.

To support all the developments outlined above, a different approach to business support will be required. Many organisations offer services that are essential to business growth.

Businesses typically make use of support services at critical stages of their development. These include starting up, and at sensitive stages of subsequent development, such as when growth opportunities or problems present themselves, when exporting is first being contemplated or when arrangements have to be made to hand on a business to new owners.



Investment in the region is biased towards consumer goods and retail, and not the new technology economy, and the amount of venture capital investment coming to the East Midlands in 2001 fell considerably compared to 2000. Within the region, the availability of finance for growing businesses has improved with the launch of the universities' Lachesis fund and the £30m Regional Venture Capital Fund. But there are still funding gaps at both the lower levels and between £250,000 and £2m.

Business Angel activity in the region is low. An associated issue is the lack of co-ordinated advice on funding for business growth.

A new customer for many businesses may be the public sector, given the projected expansion which means that there are many new opportunities to join the supply chain. This applies particularly to health where the primary investment into the NHS in the East Midlands is around £2bn per year and where the added value to the economy is in excess of £600m per year.

Photograph left: Ace Engineering, Rushden, Northants.

enterprise

key activities targets



Stimulate an enterprise culture through the introduction of activities aimed at stimulating creativity and entrepreneurial attitudes into the school curriculum and into higher education establishments.



Deliver the 'New Business New Life' programme through an awareness campaign and the provision of targeted business support and appropriate premises.



Improve the performance of manufacturing through targeted support that includes the Manufacturing Advisory Service, Cluster Development, Regional Selective Assistance, improved skills, the adoption of new technologies and best practice, increasing capital investment and greater use of the research base.



Implement cluster development plans.



Deliver effective business support to all business communities through an enhanced Business Link operation and through co-ordination of other service providers.



Exploit the business opportunities offered through the expansion of the public sector through improving access to supply chain opportunities.



Improve the contribution of minority business sectors by identifying needs and engaging them in new growth markets.



Encourage more women to enter self - employment by targeted marketing, increasing childcare provision and by setting up specific business support networks to provide a supportive environment for new women entrepreneurs.



Improve access to finance for business through the provision of an escalator of funds within the region and by enhancing the Business Angel network.

Increase the proportion of individuals considering starting up their own business to 12% by 2005 and to 15% by 2010

Increase the VAT registration rate to within 5 percentage points of the GB average by 2005 and 3 percentage points by 2010

Reduce the gap in VAT registration rates between the most and the least deprived wards by 1% per year

Increase the proportion of businesses surviving their first year to 92% by 2005 and 94% by 2010



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



enterprising communities

the challenges

economic
inclusion:
better skills,
jobs, childcare,
businesses and
public services



This strand concentrates on the economic issues of social exclusion and community regeneration such as economic inclusion. These issues include the lack of opportunities for disadvantaged individuals and communities to engage in the economic agenda - related to skills and joblessness, and the associated issues of childcare provision, as well as the poor business infrastructure and the lack of public services.

These issues cannot be viewed in isolation from other key factors, such as poor housing, transport, higher levels of crime and poor health. While all of these are covered in this strategy, for example in *Site provision and development*, *Transport*, *Enterprise*, the main policy lines and proposals for action are covered in the Integrated Regional Strategy and in the other strategies referred to below.

For many of the indicators of social exclusion, the East Midlands does not display the scale or intensity of deprivation experienced in some other regions. However, pockets of deprivation exist in the inner city and semi-urban areas, as well as in rural areas, where they are masked by wealthier households within the same wards.

Photograph left: ©De Montfort University, Leicester.

The context for economic inclusion is the UK Government policy set out in the National Strategy for Neighbourhood Renewal (NSNR), supported by the broader drive to deliver stable growth in the economy by improving productivity, achieving full employment and reducing poverty.

Under NSNR, New Deal for Communities was introduced with the aim of tackling deprivation in specific neighbourhoods with an emphasis on partnership working and much greater community involvement.

3 New Deal for Community pilots operate in the region - in Braunstone, Leicester City; in Derwent, Derby City; Radford and Hyson Green in Nottingham City.

...the **voluntary sector** is particularly important within disadvantaged communities...



Neighbourhood Renewal Areas have been established in the 88 most deprived local authority districts in England, along with a series of budgets and initiatives aimed at tackling the issues they face. The region has 7 designated Neighbourhood Renewal areas. These are in Lincoln, Derby, Nottingham, Leicester, Ashfield, Mansfield and Bolsover.

Local Strategic Partnerships (LSPs), initially in the Neighbourhood Renewal designated areas, have been established as the principal bodies to focus public services on those areas that the local community feel need specific attention. A number of LSPs have also been established outside the designated areas and are drawing together Community Strategies to identify the key issues that affect their area and community and set out how these will be tackled.

In the East Midlands, a significant number of districts have a higher than average proportion of adults with poor literacy and numeracy skills. In the former coalfields, there are skills and job shortages.

Regionally, there is above average youth unemployment and a higher than average proportion of people earning less than £250 per week.

The disadvantaged communities are typified by a lack of enterprise. This is especially true of the outer estates which have poor local services and poor links to the urban centres; the former coalfields, where historical large employers have closed or are in decline; the coastal towns and many agricultural areas, which have a high dependence on seasonal employment. There is a tendency in inner cities to suffer from short-term transient businesses.



These issues provide the backdrop to the development of enterprising communities at a local level.

The issues around basic skills and improving pre-16 education attainment levels are dealt with in *Employment, learning and skills*.

The specific needs are for individuals and community-based organisations to have the opportunity to participate in the local economy, and to generate wealth which is retained within the community. This will affect the provision of local shops and services which are currently diminishing. This is partly through lack of business, but also because of the increased threat of crime. This also applies at community level. Some aspects of designing out crime are covered under *Urban regeneration*, but the main focus of this work is in the Integrated Regional Strategy (IRS).

The role of the voluntary sector is particularly important within disadvantaged communities as they are often able to meet the needs of, and

Photograph left: an artist's impression of Corby city centre.

OUR PLEDGE

We have already made a significant investment of our own resources in developing the voluntary cluster initiative. We are happy to continue to do this and to work to ensure that the sector as a whole maximises its contribution to the economic development of the East Midlands.

Engage East Midlands



...the national **childcare** strategy ...will include school provision and **increased support** for childminders...

the public
sector makes a
significant
contribution
as both an
employer and a
purchaser of
services

offer services to, the hardest to reach. The voluntary sector is also a significant employer in the region with 28,000 full time equivalent staff.

The public sector makes a significant contribution as both an employer and a purchaser of services - often taking spending power into disadvantaged communities. One example of this is the NHS. A report by the Kings Fund explores how to use NHS spending in a way which promotes more local procurement, leading to local economic, social and environmental benefits.



There is a parallel for rural food businesses and local procurement, which is described in the Policy Commission of the Future of Farming and Food (see also *Rural development*).

The provision of public services in disadvantaged areas also offers opportunities to raise the level of local economic activity through the delivery of some services by social and community enterprises.

Delivering the Government's ambitious National Childcare Strategy will be critical to removing barriers to parents wishing to access training opportunities and employment. This will include out of school provision and increased support for childminders.

People from minority ethnic communities are more likely to live in deprived areas, and thus they are disproportionately disadvantaged. This cuts across all aspects of social exclusion, including unemployment. Mainstream public services, business support services and economic development initiatives need to be better engaged to meet the needs of minority ethnic communities.

Photograph top: ©University of Nottingham. Right: A Lincoln student.



enterprising communities

key activities targets



Support Neighbourhood Renewal investment in the East Midlands to tackle social and economic problems by developing and supporting a range of enterprise solutions for example incubator unit space for micro and social enterprises.



Increase the level of economic activity within disadvantaged communities by piloting 'Local Alchemy', a structured Enterprising Communities toolkit that will target employment opportunities and business start-ups, linked to the provision of affordable childcare.



Influence mainstream funding to target disadvantaged communities by developing a sustainable and strategic funders forum, linked to the National Strategy for Neighbourhood Renewal.



Encourage micro and social enterprises to start up and survive through the delivery of tailored business support services and the provision of financial instruments.



Support the economic development of the voluntary sector through a cluster development approach focusing on collaborative development of the sector including leadership development, bulk purchasing of goods and services, income generation and the use of ICT.



Increase the economic impact of the delivery of public services in disadvantaged communities by developing innovative approaches to procurement in the public sector.

Reduce the regional deprivation gap from a multiple of 6.5 to 4 by 2010

Reduce the proportion of income support claimants to 7% by 2005 and 5% by 2010

Reduce the number of wards in the East Midlands that are in the lowest quartile of the employment deprivation index to 120 by 2010



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



employment, learning and skills

the challenges

...the emphasis
is on developing
the skills that are
necessary to
support better
paid jobs.



The overall objectives are to create high quality employment opportunities and to drive up skills levels. This means addressing the foundations through tackling the issues of pre-16 educational attainment, and the skill requirements of those aspiring to enter the workforce, as well as encouraging lifelong learning across the workforce from basic through to higher level skills and management development.

The emphasis is on developing the skills that are necessary to support higher skilled jobs and addressing skills shortages in certain sectors.

Employment, learning and skills issues cannot be separated out from other strands of this economic strategy, particularly *Enterprise*, *Enterprising Communities* and *Tourism and Culture*. Inward investment agendas should have a clear skills dimension and consideration; public transport and childcare strategies go hand in hand with improving access to learning and employment; and high crime rates in an area will lead to 'skills flight' where there is a drift away from unattractive areas despite investments in learning and skills. This is particularly important at the local community level.

Photograph left: ©PERA, Melton Mowbray.

Unemployment in the region has fallen by 40% since 1993 and currently stands at 5% (ILO measures) compared to the national average of 6%. This gap has, however, narrowed over time. There are significant sub-regional differences. For example, the average benefit claim count in the region's cities is over 3% higher than in mainly rural areas.

The region has maintained strong self-employment growth, although it did drop below the national average in 2001. It is important to ensure that the survival rates of start-up businesses continue to increase.

Pre-16 attainment levels are crucial to establishing a firm foundation for future learning, skills and employment. 2001 school performance tables

...a **low-skill, low-pay** jobs equilibrium exists in many of the region's businesses...



indicate that the East Midlands is behind the national average for achievements at Key Stage 2 english and maths. For example, the East Midlands measures 73% against an England average of 75%, and for maths, the region measures 69% against an England average of 72%.

Regional education attainment levels are below the national average. The percentage average of 16 year olds gaining 5 A*-C GCSE/GNVQ qualifications is 40.6%, compared with the English average of 47%. There is, however, considerable variation in the sub-regions. In particular, at 54.1%, Lincolnshire is performing above the UK average, whilst Leicestershire at 36.9% is under-performing.

Progress towards targets for economically active adults lags behind the England average by 3 percentage points for the NVQ Level 3 target, and 4 percentage points for the NVQ Level 4 target. This poses a potential barrier to the ability of the region to attract investment that depends in part upon the availability of a highly qualified labour force.

One million people with poor basic skills live in the region. Poor literacy and numeracy skills are a major challenge and need to be addressed, both inside and outside the workplace.

A low-skill, low-pay jobs equilibrium exists in many of the region's businesses. Many lack the necessary skills within their existing workforce and/or are finding it difficult to recruit new workers with the skills that are needed to grow or diversify.



Businesses that lack the skills to innovate and remain competitive are vulnerable and the workforce is at an increased risk of unemployment.

To make a change requires a commitment from employers and individuals to take direct responsibility for the development of enhanced skills.

With the current buoyant labour market this will be difficult, because individuals in work do not see the value or personal benefit of developing their skills, and employers are enjoying relative economic prosperity without the need to upskill their workforce. At the same time that demand is stimulated with employers and employees, colleges and training providers will need to respond by providing high quality training and learning opportunities.

Large employers - both public and private sector - have a key role to play within their supply chains to increase skill level and job quality as part of the effort to increase productivity and competitiveness. The development of the workforce in the health sector in particular, is a key priority if we are to

Photograph left: ©University of Nottingham. Top ©University of Derby.

OUR PLEDGE

De Montfort University is committed to working in partnership with business and the community and playing its full part in local and regional success. We undertake to work closely with *emda* and regional partners for the economic prosperity, social and cultural progress, and the quality of life of the East Midlands' region.

De Montfort University



OUR PLEDGE

The Local Learning and Skills Councils for the East Midlands are fully dedicated to working with emda to deliver the learning we need for a high quality workforce fit for the twenty first century.

Local Learning and Skills Councils

achieve a healthy labour market. For example, there are a number of exemplar workforce and management programmes within the public sector from which the region can learn.

The East Midlands Framework for Regional Learning and Skills Action (FRESA) is a partnership of diverse regional players, including Learning and Skills Councils, JobCentre+, universities, Business Links and the TUC, committed to working in close collaboration to create a healthy labour market. The FRESA is characterised by a 'push-pull' strategy, which aims to stimulate demand for skills and drive up job quality, whilst at the same time ensuring that the skills supply matches the aspirations of employers. The FRESA identifies five priority themes, which are critical to the development of the region.

These are:

- Raising Skills Level in the Workforce
- Employability for All

...large employers - **both public and private**
- have a key role to play...

- Skills for Enterprise and Innovation
- Management and Leadership
- Knowledge and ICT

raising skills levels in the workforce

Many of the new job opportunities that will be created in the region are likely to require increased skills levels. Industries driven by technological



change are expected to enjoy the most rapid growth between now and 2010. Progression in skills levels will mean tackling basic skills issues as well developing higher level skills. Raising skills levels will increase the productivity of the workforce and lead to higher wages with sustained business growth. It can only be achieved through employer demand and ensuring that business aspiration is met by appropriate skills provision.

employability for all

Employability means an individual retaining ownership of skills that can be transferred and built upon, from job to job. Supporting individuals to maintain and enhance their employability will lead to a motivated, flexible and socially inclusive workforce. Partnerships for Progression, combining the energies of the providers of vocational and non-vocational post-16 learning, will be fundamental to supporting individuals to climb the skills ladder. Trade Union Learning Representatives also have a key role to play in encouraging their employees to continue learning and developing their skills. Barriers to learning whether financial, physical or psychological, need to be addressed.

Photographs: ©University of Nottingham.

...management and leadership development will lead to
increased productivity and **job quality**...



skills for **enterprise** and **innovation**

Creating a 'spirit of enterprise and innovation' is crucial to the creation and sustained growth of organisations.

Instilling this 'spirit' is the domain of schools, colleges and universities - helping the owner-managers of tomorrow develop the confidence and skills to become the building blocks of a higher skills economy.

It is also important that SMEs are encouraged to recruit and retain graduates to facilitate the process of innovation and knowledge transfer.

management and **leadership**

Management and leadership development will lead to increased productivity and job quality through innovative people and processes and therefore, businesses. SMEs need to be helped to

recognise the benefits of embedding skills development into their product market strategies as a route to increased productivity and competitiveness.

knowledge and ICT

The East Midlands needs to develop new technology-based industries and to increase the knowledge base of existing industries, through the innovation of both people and processes.



This will create more modern and progressive business practices with a highly skilled and flexible workforce.

The challenge as the region moves increasingly to an economy underpinned by digital technologies, is to ensure that everyone in the East Midlands is prepared and supported to participate in and benefit from the ICT revolution. The New Technologies Institute for the East Midlands will create new e-learning opportunities in ICT and other advanced technologies ensuring access for SMEs to the latest science, technologies and business knowledge base.

The e-learning agenda for the region is one of maximising access to learning electronically, ensuring individuals have the appropriate ICT skills and that learning materials delivered electronically are appropriate to individual need.

Photograph left: ©University of Nottingham.

OUR PLEDGE

Loughborough College
pledges to deliver improved
skills and learning to support
the East Midlands as a
competitive region with
sustainable communities.

Loughborough College



employment, learning and skills

key activities



Increase levels of educational attainment at pre-16 through targeted support in areas where attainment levels are below the national average.



Increase use of ICT as a tool for learning and to increase ICT skills through infrastructure provision and skills development support.



Increase graduate employment in SMEs through linking up a range of undergraduate and graduate support programmes including STEP, Shell LiveWire, Get on with Graduates, Teaching Company Scheme, 'New Business New Life.'



Increase demand from businesses for improved skills by developing and implementing an Employer Engagement strategy and a co-ordinated regional campaign for 'Investors in People.'



Increase demand from individuals for improved skills by promoting the benefits of lifelong learning and the need to maintain individual employability through skills development, from basic skills through to higher levels.



Support the development of learning progression routes from basic skills provision through higher-level skills, including foundation degrees.



Promote enterprising skills through the embedding of enterprise into the curriculum of schools, colleges and universities as well as with the workforce.



Develop comprehensive approaches to employment, learning and skills issues at the community level, through LSP initiatives that address housing, transport, crime and childcare issues as well as learning and skills provision.



Improve the information advice and guidance available for all ages through quality assured and accessible provision.



Develop initiatives to increase the recording of non-qualification based skills in the workplace, through the creation of a Skills Passport, including the capture of on-the-job training.



Meet skills needs for start-up and micro businesses of all types by providing 'survival skills' support.



Ensure access to labour market information for intermediaries, employers and individuals through the East Midlands Observatory website.



Increase management skills among established SMEs through leadership initiatives, mentoring and learning networks.



Raise the profile of self-employment as a real career option through regional and local initiatives and quality advice and guidance provision.



Target geographical pockets of high unemployment, and priority groups including lone parents, minority ethnic communities, ex-offenders and individuals with disabilities through New Deal and other initiatives.



Target the skill needs of priority clusters and sectors where low/no qualifications is the norm or there are identified skills gaps.



▶ targets ◀ ◀ ◀ ◀ ◀ ◀ ◀ ◀ ◀ ◀ ◀ ◀

Increase the employment rate to 76.7% by 2005

Increase the employment rate to 80% by 2010

Increase employment in knowledge intensive industries to 40% by 2005

Increase employment in knowledge intensive industries to 45% by 2010

85% of 19 year olds with NVQ 2 or equivalent by 2005

90% of 19 year olds with NVQ 2 or equivalent by 2010

60% of 21 year olds with NVQ 3 or equivalent by 2005

66% of 21 year olds with NVQ 3 or equivalent by 2010

54% of working-age adults with NVQ 3 or equivalent by 2005

59% of working-age adults with NVQ 3 or equivalent by 2010

31% of working-age adults with NVQ 4 or equivalent by 2005

40% of working-age adults with NVQ 4 or equivalent by 2010

Note: the last four targets are the national learning targets

Photograph top: ©University of Nottingham 2003. Right: ©MEEM 2003.



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



innovation

the challenges

Innovative companies grow faster, are more profitable and sustain higher performance than their non-innovative counterparts



In the East Midlands, the levels of innovation within business are generally low, as witnessed by the less than average take up of knowledge and technology transfer schemes. The ICT infrastructure to support knowledge sharing is weak outside the three core cities; there are gaps in venture fund provision at the lower levels; and the provision of incubation and expansion accommodation for start-up companies is insufficient. There are also issues about the low numbers of highly skilled individuals eager to work in business, as well as the lack of technician level skills that are needed to support Research and Development and technology transfer activities.

This strand has close linkages with *Enterprise, Employment, learning and skills* and *ICT*, as well as *Site provision and development* in relation to premises.

Innovation can be described as the successful exploitation of new ideas, enabling profitable change. These ideas may be new, or simply new to the individual, company, organisation or sector. It is a process that creates wealth from knowledge.

Innovative companies grow faster, are more profitable and sustain higher performance than their non-innovative counterparts. They invest in R&D and workforce skills, and adopt up to date best

practice using state of the art product and process technologies.

The region's economy is skewed towards low-skilled sectors and many of the ostensibly new technology sectors have an under-representation of managerial, professional or technical occupations. The region is also under-represented in businesses requiring high skill levels, particularly among SMEs. In 2000, about 60% of SME employment was concentrated in low-skilled, low-paid sectors. IT-related services is the region's only significant business sector in the highest knowledge group of sectors.

Photograph left: The Sky Vault. ©2hD.

...the region's universities are **working together to improve knowledge** exploitation through a number of collaborations...



Conversely, the public sector accounts for 55% of employment in the region's high knowledge sectors, with the majority contributed by education, health-related and public administration activities.

This tends to explain why on many measures of innovation the East Midlands is only an average performing region. Also, the region is relatively weak in research infrastructure with few top ranking research universities, public sector funded research laboratories, science and technology parks or research-intensive firms.



There are nevertheless clear exceptions with several 5-star rated departments in the region's universities, and in research-based firms and organisations such as AstraZeneca, Rolls-Royce, PERA, SATRA Technology Centre and the British Geological Survey.

Improvements in levels of innovative activity are contingent upon the cultivation of good relationships between the universities who create and disseminate new knowledge, and the business and industrial users of such knowledge. This is not exclusive to the science base but also applies to business management, organisational development and market intelligence - all vital aspects of exploiting innovative thinking to improve business competitiveness.

The region's universities are working together to improve knowledge exploitation through a number of collaborations such as the East Midlands Science Enterprise Network, where all universities are developing entrepreneurship curriculum material for science and technology courses.

East Midlands universities are also collaborating with West Midlands universities to establish Medici

Photograph top: ©PERA, left: Rolls-Royce, right: Loughborough Innovation Centre



OUR PLEDGE

The University of Nottingham is committed to the economic prosperity of the region and will continue to work with emda in building effective structures for research, innovation, higher level skills and cultural development.

University of Nottingham

strand four



OUR PLEDGE

The University of Leicester will continue to contribute to the economic prosperity and quality of life in the East Midlands, with an emphasis on innovation and provision of higher- level skills.

University of Leicester

...**cultivation of good relationships** between the universities who create and disseminate new knowledge, and the business and industrial users of such knowledge

- an initiative whose primary aim is to embed entrepreneurial attitudes amongst the Bio and Medical scientists and post-graduate students who will become the scientific knowledge base of the future, ensuring they are better equipped to exploit the commercial value of their work.

By profiling research capability in the region, a better understanding will be gained of how that research base can support local businesses, especially in the exploitation of emerging technologies in global markets. University-based Innovation Centres are also an essential element of the region's ability to focus research activities and build an international reputation for innovation.

With few large corporate sites in the region, links must be built into the supply chains of the most demanding customers, ensuring that their requirement for excellence stimulates innovation in the region's SMEs.

Innovators must also be entrepreneurial and this is an important consideration in the FRESA proposals for encouraging more innovative and enterprising behaviour through skills development.

Photograph top: ©University of Nottingham. Right ©Loughborough University.



innovation

key activities ▶ ▶ targets ◀ ◀



Foster a culture of innovation through participation in sector based business networks and by increasing the proportion of graduates employed, especially science and technology graduates. Encourage business managers to learn how to develop their ideas and understand how they can be exploited to improve competitiveness.



Exploit Regional Research Strengths through the creation of a Science and Industry Council, focusing the knowledge base to support the emerging strengths in the business base. Create a network of internationally recognised Innovation Centres which attract new research funding, new businesses and new knowledge to the region.



Improve knowledge transfer from research-to-business and business-to-business by opening up the universities' science base, supporting more science and technology start-up businesses, and encouraging collaborative R&D. It is also important to encourage managers to network and share best practice on a range of business issues, thus enabling non-technical knowledge transfer.

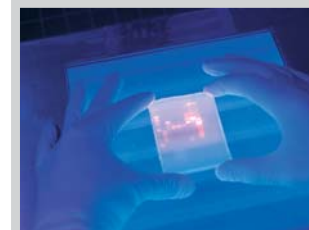


Provide the support for business to exploit the science and technology base by creating an "Innovation Road Map" to guide innovators towards available support. This will integrate business support organisations and provide routes to help with assessing new ideas; finding finance for R&D, proof of concept, new business creation and business growth; skills development provision; finding new business premises, including for incubation; sourcing technical help and exploring new markets.

Increase business expenditure on R&D, (as a percentage of regional GDP) to 1.4% by 2005 and 1.6% by 2010

Increase participation in knowledge transfer schemes by 5% per year

Photographs: ©University of Nottingham.



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



international trade and inward investment

the challenges

companies
starting to trade
overseas become
more competitive,
more profitable,
employ more staff
and pay better
salaries



In an increasingly worldwide economy, international trade and inward investment have a pivotal role to play in the creation of jobs, wealth and improved competitiveness in the region. Building on strengths in both manufacturing and services, the region has the capacity to both trade more intensively and to attract higher value, knowledge-intensive industries and services in key-growth clusters.

Trade is becoming increasingly complex as the global economy grows. Likewise, foreign direct investment (FDI) is now only one approach to attracting international investment into the region, with joint ventures, mergers and acquisitions playing an increasing role.

This strand describes the challenges for these aspects of international trade development. It is linked closely to *Enterprise and Employment Learning and Skills*.

The University of Nottingham study on behalf of Trade Partners UK published in early 2002, demonstrated that companies starting to trade overseas become more competitive, more profitable, make better use of capital, employ more staff and pay better salaries.

Photograph left: supplied by DHL

The UK buys and sells more goods and services overseas per capita than any other country in the world. In the East Midlands, international trade accounts for 22% of GDP - or one in five jobs - yet relatively few companies export their products and services. The national average GDP figure is 26%.

The plans for increasing international trade are set out in the *East Midlands International Trade Strategy* for which Trade Partners UK takes responsibility. (See appendix 4).

One of the priorities is to tackle the ambivalence to foreign markets and create a cultural change within the business communities so that international trade is regarded as part of normal business practice.

...the UK is the **largest attractor** of overseas investment in Europe...



The expansion of opportunities should be related to the region's sectoral strengths and existing good overseas markets. In respect, both international trade development and inward investment are key components of cluster development.

The region needs to attract companies into exporting for the first time and more exporters need to expand into the rapidly growing markets of India, Central Europe, China, the Far East and South America. International trade should become a natural part of business development and businesses need to be equipped with the skills, knowledge and cultural understanding necessary to succeed overseas.

The UK is the largest attractor of overseas investment in Europe with over 20,000 foreign-owned companies employing more than 2m people. Around 1,200 of these companies are in the East Midlands, accounting for around 80,000 jobs directly and indirectly. In addition to primary investment, overseas companies, source

components and services from local companies further augment their economic impact on the region. Over the second half of the 1990s, the East Midlands had fewer inward investment project successes than any other English region.

The emphasis in the future should be on attracting more smaller companies employing fewer people in higher value jobs, to create a more sustainable regional economy and reduce the reliance on large scale manufacturing, which tends to be increasingly influenced by global trends.

There will also need to be a move towards sourcing more investment outside North America, where companies now take a global perspective and no longer see the UK as the priority location when setting up in Europe.

European Union Enlargement in 2004 is without precedent in terms of scope and diversity, opening up competition for international investment, but at the same time opening up trade opportunities.

Photograph top: Brussels. Right: ©AstraZeneca, R&D Charnwood, 2003.



OUR PLEDGE

Trade Partners UK welcomes and supports the revised Regional Economic Strategy. We will work with *emda*, Business Links, Chambers of Commerce and other partners to increase the wealth of the region by developing the ability of local companies to succeed in overseas markets.

Trade Partners UK



...around **1,200 foreign owned** companies account for around **80,000 jobs** in the east midlands...

OUR PLEDGE

As the Labour Members of the European Parliament representing the East Midlands, we fully endorse and support *emda's* revised economic strategy. We will do all we can to further its objectives in relation to the European Union.

Labour MEPs

The relationship between inward investment and trade development can be extremely close. Increasingly companies are able to locate any part of their business where it is best for them to reach their markets. Therefore, closer linkages are required by agencies that support both investment and trade development.

Achieving comparative advantage in areas of non cost competitiveness, such as innovation, design and quality, will be critical to the East Midlands' prosperity and presents a major challenge as does creating and sustaining an environment conducive to learning and networking, since regional growth will flow directly from communicating with and learning from partners and competitors on the global stage.



Photograph top left: Denso. Right: ©AstraZeneca at R&D Charnwood.



economic growth and the environment

the challenges

a quality environment can make an important contribution to economic regeneration and growth



The relationship between economic development and the environment is complex. This strand focuses in part on the environmental impact of economic development and also on the development of the environmental economy. All the other strands of this strategy also recognise the importance of minimising adverse environmental consequences of the activities described.

In recognition of the important contribution that a quality environment can make to economic regeneration and growth, this strand has many linkages, particularly with *Tourism and culture, Site provision and development, International trade and inward investment, Employment, learning and skills.*

There are many challenges for this region's built and natural environment, which have been addressed in the *Regional Environment Strategy* (part of the *Integrated Regional Strategy*). Under this umbrella, regional partners are engaged in developing or implementing more specific strategies for managing water resources, waste, minerals and energy, for example.

Photograph left: Dovedale, Derbyshire.

overriding **environmental challenges** for the east midlands

The overriding environmental issues, which face the region's economy are:

- Reducing the contribution to, and adapting to the effects of, climate change
- Reducing inefficient and often wasteful use of our natural resources
- Encouraging the growth of the environmental economy

...incorporation of more **sustainable design**...to minimise the use of water, energy and raw materials...



Many of these issues are highlighted in the report published by *emda* and partners in October 2002, *The Environmental Economy of the East Midlands*.

adapting to **climate change**

The 'Impacts of Climate Change' report of 2000, published by the East Midlands Sustainable Development Round Table, highlighted the economic, social and environmental challenges facing this region as a result of climate change. There is a pressing need for the implementation of a clear regional programme to both adapt to the impacts of climate change, and significantly reduce the current emissions of greenhouse gases. A twin-track energy policy is required which encompasses significantly more renewables, together with increases in energy efficiency in all areas of the economy.

Adapting to the effects of climate change requires a more considered and integrated view towards

regeneration and economic development in the river corridors and extensive low lying areas of the region. The attractiveness and economic opportunities of waterside development have often been seen as a major catalyst for development and investment along major river corridors. However, the likelihood of more extreme flood events requires a more sustainable view towards both the location and nature of development in river floodplains.

A step change is required in mainstream development by incorporating more sustainable design into economic and environmental opportunities, so as to minimise the use of water, energy and raw materials.



towards a more **resource efficient** and engaged economy

The current use of wider natural resources by the region's economy is not sustainable. The last 5 to 10 years have seen a number of important initiatives by central Government aimed at assisting business with good environmental practice, together with a number of funding programmes.

At a regional level, these business support mechanisms lack co-ordination and clear delivery focused on measurable increases in business performance. The result is that, despite very significant resources, there are still very few organisations with recognised environmental management systems, and the regional economy overall is inefficient.

Regional level data on water use, energy use, waste emissions, greenhouse gas emissions and air pollutants, produced from the first stage of the

Photograph left: Supplied by Gusto

OUR PLEDGE

The British Geological Survey will contribute to economic growth and quality of life in the region by providing access to expertise and knowledge of the land, its resources and environment.

British Geological Survey



Photograph: Electric car. Picture supplied by Gusto

OUR PLEDGE

Nottingham Energy Partnership pledge to support the aims and objectives of *emda* as outlined in the RES and contribute where possible to helping the region meet its targets.

Nottingham Energy Partnership

...the **environmental economy** is a growing part of the east midlands' economy...

'Welsh and Regions Economic Resource Productivity project', has provided the first real opportunity for the East Midlands to measure the resource productivity performance of the economy, and develop meaningful targets to help decouple future economic growth from use of our natural resources.

growth in the environmental economy

The *Environmental Economy of the East Midlands* report has, for the first time, quantified the contribution of the environment to the East Midlands economy. This is a vibrant and growing part of the region's economy, representing approximately 71,000 jobs - around 3.5% of total employment in the region and 3% of regional GDP.



This report highlighted a number of key actions to capitalise on the growth potential of this sector over the coming 7 to 10 years, under 4 main drivers:

Supporting growth in the environmental industry (including support of environmental suppliers, increasing take-up of cost-effective environmental improvements in industry and regenerating and enhancing the environment to bring environmental, economic and social gains).

Regenerating land-based industries such as agriculture and forestry (including actions to promote environmentally beneficial farming, development of local, regional and organic commodity processing and consumption and environmentally beneficial forestry).

Photograph left: An Iskra wind turbine.

Capitalising on a high-quality environment (including actions to develop tourism based on a high quality environment and enhancing the contribution of the region's high quality environment to inward investment and quality of life).

Incorporating environmental considerations into all sub-regional delivery plans.

Growth in this sector of the economy represents a true step towards sustainability for this region, as innovation and investment in new ideas, new technologies and new processes, will tackle many of the region's environmental issues in a way that also delivers a more competitive and inclusive economy. Maintaining future growth in this sector will also rely on sufficient skills in the future, and will be considered as part of the FRESA (Framework for Regional Employment and Skills Action).



site provision and development

the challenges

the forecast need to 2021 is for...less industrial floorspace and...more office floorspace, than is available in local plans



This strand highlights the key issues relating to the provision of land for employment, housing and associated activities.

The agreed regional position on spatial issues is set out in the *Integrated Regional Strategy* and *Regional Planning Guidance Note 8 (RPG8)*.

The aim is to secure economic growth against sustainable development principles, in particular, the application of sequential approach criteria. In other words, examining all available brownfield land before considering greenfield sites, contained in RPG8, which also relates to the re-use where appropriate of 'brownfield' or Previously Developed Land (PDL).

This strand is closely linked to *Transport* as well as *Rural development*, and *Urban regeneration*.

The East Midlands stock of brownfield land is primarily located in the former coalfield areas and in the major urban areas following reductions in industrial activity. The *Quality of Employment Land*

Photograph left: The Avenue Coking Works, Derbyshire.

Supply (QUELS) study has provided a comprehensive assessment of the quantity, type and market value of employment land in the region. The forecast need to 2021 is for 64,000 sq m less industrial floorspace per annum, and 75,800 sq m more office floorspace than is currently available in Local Plans. Thus these plans will require restructuring.

The following are the issues arising from QUELS for the sub-regions:

Eastern - There is a perceived under-supply in the south of the region, related to South East demand, and an over-supply of allocated industrial land in the north. An attractive offer for Lincoln is needed, particularly for office use.

Northern - Better freight interchange opportunities, particularly at Markham Employment Growth Zone, near Chesterfield are required; the Mansfield Ashfield Regeneration Route will provide an

...both **community development and housing demand** require land, and are essential if economic growth is to take place in a sustainable way...



employment land offer. In urban centres, there is an inadequate supply of office space.

Three Core Cities - There is a shortage of sites in the core urban areas caused by competition between the office sector and housing demand. Complementary roles need to be developed for Derby, Leicester, Nottingham, in particular to include linkages to East Midlands Airport, Loughborough, research and technology sectors and universities.

Southern - The needs are: the regeneration of Corby; to capitalise on the established distribution sector; industrial land that is attractive to a wider range of employment uses; and to capitalise on South East overspill, particularly in relation to office supply in Northampton.

Peak - To enhance indigenous local employment opportunities and promote the Manchester-Derby rail link re-opening as a new national freight route, although mindful of the need to protect the unique quality of the Peak District National Park as an asset in the region.

The context for developing employment land is QUELS and the availability of brownfield land, so as to ensure that the land is attractive to the market while meeting sustainable development criteria. The requirements for infrastructure and utilities, including broadband connectivity of sites, must also be addressed when assessing attractiveness for investment.

The East Midlands Planning Charter sets out agreed processes in respect of planning applications for employment land development. The Planning Charter is supported by virtually all planning authorities in the region.



The findings of the Milton Keynes South Midlands Study will have a potentially major impact on the region, particularly in Northamptonshire in view of the major housing and employment growth anticipated.

Similarly, anticipated growth in relation to the expansion of freight and passenger activity at East Midlands Airport will require appropriate site provision to support business development in established urban areas, and to facilitate operational growth at the airport itself.

Both community development and housing demand require land, and are essential if economic growth is to take place in a sustainable way.

The above-mentioned studies, as well as RPG8, will feed into the preparation of the Regional Housing Strategy (RHS) in 2003, to be led by East Midlands Assembly's Housing Task Group, working with the new Regional Housing Body.

Photograph left: Bombardier, Derby.

the Regional
Housing
Strategy will
provide the
basis for housing
development



OUR PLEDGE

Recognising housing's role in regional and local economic performance, we shall work with *emda* and other partners to ensure that our strategies and investment decisions can complement this economic strategy.

Housing Corporation

...the National Coalfield Reclamation Programme...has seen **major successes** like the **reclamation and redevelopment** of Manton Wood...

The RHS will provide the basis for housing development by the Regional Housing Body. The previous Regional Housing Statement highlighted the following priorities across the region that will need to be taken into account in facilitating any subsequent demand for economic growth:

Eastern - Poor quality housing stock and a shortage of affordable housing in pockets of deprivation dispersed across the rural area.

Northern - Falling land and property values associated with low demand related to closure of traditional industries.

Three Core Cities - A mismatch of supply and demand caused by pockets of deprivation in inner areas and outer estates.

Southern - Pockets of deprivation and the regeneration focus of Corby, alongside South East overspill creating significant demand.

Peak - Affordable housing for local people, arising from the shortage and high prices caused by tourism and second homes.

There are a number of construction issues which will affect the provision of appropriate sites for employment and housing. Skilled construction workers are in short supply and the Framework for Regional Employment and Skills Action will drive the agenda to address the increasing demands in the construction industry.

The built environment of our rich diversity of settlements requires high quality design, use of environmentally friendly materials, sustainable construction methods and minimisation of waste.

The East Midlands has 25 sites totalling some 839 hectares within the National Coalfield Reclamation Programme. The 10 year programme, started in 1996, has seen major successes like the reclamation and redevelopment of Manton Wood (Enterprise Zone) but major challenges remain in developing sites such as the former Avenue Coking Works, Shirebrook, Gedling and Cotgrave collieries, all of which are in various stages of the redevelopment process.

This programme will continue to have significant economic potential in the former coalfield areas.

Photograph right: Brook Park, Shirebrook.



site provision and development

key activities targets



Provide quality employment sites, on previously developed land, where appropriate, in areas of need through restructuring of local plans.



Develop and implement the Regional Housing Strategy.



Manage the expansion, particularly in Northamptonshire, arising from the Milton Keynes South Midlands Study by identifying appropriate delivery vehicles and integrating associated housing, education and health needs.



Continue to reclaim former coalfields sites through delivery of the National Coalfield Reclamation Programme.



Improve the built environment through the Rethinking Construction agenda, an industry-led initiative to improve performance through the sharing of best practice, and the Regional Architectural Centre.



Increase the contribution of East Midlands Airport to the economic agenda through business development related to airport activity (Ref Airport Action Group under *Transport*).

Provide 50% of new housing on previously developed land and through conversions of existing buildings by 2005, and 55% by 2010, in line with RPG8 (60% by 2021)

Photograph: Conkers Visitor Centre, Leicestershire.



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



transport

the challenges

the region's
major cities are
key drivers
in sustaining
economic
growth and
competitiveness
...and need to
be well
connected



Accessibility to both employment opportunities and the markets they serve, is fundamentally important to the economic prosperity of the region, and its competitiveness within Europe and worldwide.

The overall transport strategy for the region is being developed by the regional planning body as part of the revised Regional Planning Guidance. It will include regional priorities for transport infrastructure investment.

This strand highlights the key economic issues relating to transport against the agreed regional position in the Integrated Regional Strategy and the Regional Transport Strategy (as part of Regional Planning Guidance Note 8). It relates closely to the issues described in *Site provision and development*.

Transport provision in the region is hugely important to attract and retain investment, drive and support economic growth, and provide individuals and communities with the necessary access to employment and training opportunities that will enable them to participate in the economy.

The region's major cities are key drivers in sustaining economic growth and competitiveness. To enable them to fulfil this role, they need to be well connected and benefit from accessibility between and within major centres in the East Midlands and adjoining regions. Similarly, for rural areas to remain competitive, adequate transport provision, particularly by road-based public transport, is crucial to sustain rural communities in the economy.

Accessibility to regional airports with a portfolio of key European destinations is another aspect of connectivity that will support the economic growth potential of the region. The Government's review of air transport provision will shape air service provision over the next 30 years. The review has served to highlight the operational growth potential of East Midlands Airport (EMA) and its contribution to economic growth, both as a national freight hub

...growth at East Midlands Airport will require **significant investment in rail access** to the airport, particularly connecting to the three city conurbations...



and as a regional passenger airport. Growth at EMA will require significant investment in rail access to the airport, particularly connecting to the three cities of Derby, Leicester and Nottingham.

The region's economy will also benefit from linkages to outlying airports such as Manchester, Birmingham and London Stansted.

More emphasis is needed on integrating transport and considering all alternatives before constructing new roads. The Government encourages making better use of existing roads, and promoting the use of other modes of transport.

Congestion on East Midlands roads, however, gives a negative perception of the region as a place to invest and locate. Solutions to congestion need to be brought forward through Local Transport Plans and other delivery frameworks in an integrated way, by promoting solutions by all modes of transport in facilitating the effective and efficient movement of people, goods and services. Due to the nature of the East Midlands, and its

settlement structure, road-based travel continues to be important, particularly in more rural areas. The Government recognises that congestion on the M1, A453, A52 and the A38 for example, as detrimental to the region's economic competitiveness.

However, although north-south links in the region are well established, east-west links are more poorly served.



Rural areas in particular suffer from poor transport both in public transport provision and strategic road networks. In particular, accessibility solutions for Lincolnshire should be encouraged which would improve both road infrastructure and public transport service provision. Key rail priorities in the region include the Manchester - Derby rail link as a strategic inter-regional route for both passenger and freight; re-connecting Corby to the national rail network; and securing improvements to capacity and service availability on the East Coast, West Coast and Midland Mainline routes.

The Government's programme of multi modal and road-based studies has provided the region with an important opportunity to develop an integrated package of transport investment improvements. These will not only help secure a sound transport infrastructure for the region but will also help meet the outcomes required by the Government's 10 year plan for transport.

This includes providing new transport infrastructure, particularly to benefit public transport, extension

road based travel continues to be important, particularly in more rural areas

strand eight



OUR PLEDGE

We will make the East Midlands a better place to live, work and visit through partnership working. We will deliver waterside regeneration in both urban and rural locations, and develop tourism and waterborne transport.

**British Waterways,
North East Region**

...the **importance of transport** to the region's economy cannot be over played...

or provision of light rail; and encouraging travel behaviour other than by car.

Park & Ride and station interchange facilities are important to help better movements within and between cities, and to serve as gateways to areas of employment and commerce.

The results of several recent studies need to be considered together with infrastructure developments that can support economic competitiveness. These include the multi modal and road-based study recommendations, the outcomes of the *State of Freight Study* and the *Quality of Employment Land Supply study* (QUELS). These can balance the requirements for infrastructure and site development to provide for both opportunity and need in the region.

Priority should be given to establishing opportunities for rail-based intermodal facilities, to move freight from road to rail transport, particularly with respect to the Markham Employment Growth Zone, in Chesterfield, Derbyshire, in Lincolnshire, Corby, and to serve East Midlands Airport.

Opportunities also exist to transfer freight to the navigable and broad waterway network, for example on the Lower Trent and at East Coast ports. As well as transferring freight, the waterway network in the region has the potential to realise economic benefit from its use as a tourism and leisure facility.

The importance of transport to the region's economy cannot be over played. Any new infrastructure projects should be developed with regard to Government Appraisal criteria to ensure that any potential damage to the environment is minimised. Similarly, transport is a means of providing access to employment opportunities for disadvantaged communities without damaging the character of those communities.

Therefore, in order to achieve the two high-level aspirations of this economic strategy, a *Competitive Region* and *Sustainable Communities*, a broad range of transport possibilities and options needs to be supported.



Photograph: Boston Docks, Lincolnshire.

transport

key activities targets



Ensure that the importance of transport infrastructure investment to the region's economic prosperity is recognised in the Regional Transport Strategy.



Deliver the recommendations of the Multi Modal and Road-Based studies by securing regional consensus and attracting the necessary funding from Government.



Secure the necessary surface access improvements to serve the forecast growth at East Midlands Airport by assessing the viability of public transport improvements directly to the airport through an *Airport Action Group*.



Improve the movement of freight in the region by securing the offer of regional intermodal freight facilities as detailed in the *State of Freight* and *QUELS* reports.



Increase investment in regional rail infrastructure improvements by influencing the Strategic Rail Authority.



Secure public transport improvements in rural areas, and public transport interchange systems in urban areas to reduce transport poverty, through Local Transport Plans.

Increase the number of freight train journeys, to a minimum of 30 extra trains per day by 2010, in line with RPG

Increase the percentage of the workforce travelling to work on public transport to 8.5% by 2005 and 10% by 2010



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



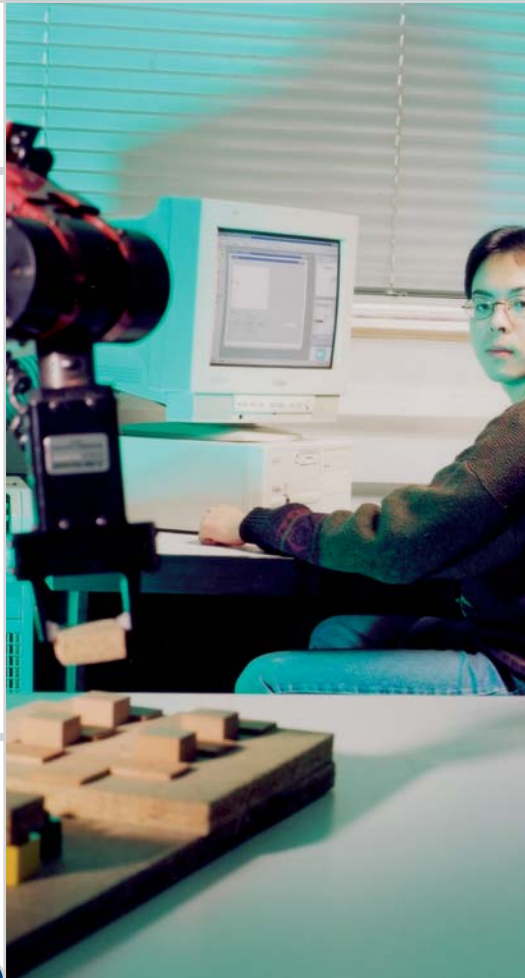
Indicates lead



information and communication technologies

the challenges

to explain in non-technical terms, how the lives of... people... can be improved using ICT



ICT holds the potential to transform every aspect of the economy: in business, in government and in learning. It is increasingly understood for what it is: a critical component of regional competitiveness.

The Government is committed to getting the UK online so that the country, citizens and businesses derive the maximum benefit from Information and Communication Technologies (ICT). The Government sees ICT delivering better public services, a stronger economy, increased productivity and opportunity for all.

Leading businesses (including local government, Education, Health and SMEs) are already using ICT to improve performance and in the process, challenge traditional methods of working. The pervasive nature of the ICT revolution links this strand closely to most of the other strands in this strategy.

There are three principal users of ICT driving the digital economy: eBusiness, eGovernment and eLearning. In order to improve the performance of

the regional economy, the objective must be to communicate the relevance of technology to each of these sectors, explaining in non-technical terms how the lives of East Midlands people, be they businesses, citizens or learners, can be improved using ICT.

eBusiness

We live in a global economy, growing increasingly digital in character. Business access to the internet stands at 63% nationally - with East Midlands close to the national average. In contrast, research conducted by UKOnline/Business Link, suggests that a third of the region's SMEs do not even have a personal computer.

The efficiency of business and the productive capacity of the region will be improved substantially by increasing the numbers of businesses

Photograph left: ©Loughborough University.

...the region needs to provide a **consistent, integrated, high quality** ICT learning experience...



that trade online and addressing the concerns of the significant minority of businesses that remain sceptical of the relevance of ICT.

eGovernment

Government is committed to making all services available electronically by 2005. Four principles guide the use of ICT in the public sector: building services around citizens' choices, improving access, social inclusion, and using information better. Local authorities have produced Implementing Electronic Government strategies setting out their plans.

The Audit Commission reported recently that local government was confident about achieving its 2005 target, but saw little evidence yet of the re-engineering of business processes acknowledged as a necessary pre-requisite to delivering successful business transformation. The region needs to support and widely disseminate best practice arising from the development of successful eGovernment strategies.

eLearning

The growing importance of ICT is evident in the way that it increasingly features in the delivery of learning in schools, colleges, universities and lifelong learning. The region needs to provide a consistent, integrated, high quality ICT learning experience to ensure the delivery of qualified, ICT-literate citizens, across the whole of the region. Further information on this is under *Employment, learning and skills*.

The future of a modern ICT economy is contingent on available infrastructure combined with ease of access. Where investment in broadband has occurred, this has typically been in the towns and cities that lie along the western side of the region.



Whilst 64% of the UK population has access to a mass market broadband solution, in rural communities this figure is less than 5% (*Broadband Steering Group, June 2002*). Even where investment in broadband infrastructure has been made, for example in Nottingham, take-up is less than 2%.

At the household level, the East Midlands performs slightly better than the national average with approximately 40% of East Midlands households having access to the internet from home (after London and the South East at 45% each).

In order not to exacerbate a digital divide, 163 Access Centres have been established in the East Midlands providing opportunities for all citizens to learn how technology can enrich their lives and improve their skills.

Where infrastructure exists, the region needs to promote the advantages of technology and the creation of digital content. Where infrastructure is absent, the region will need to encourage

Photograph: The Wragley Learning Centre, Lincolnshire.

OUR PLEDGE

The People's College, Nottingham endorses the revised Economic Strategy and pledges its support, in particular, for educational skills and enhancement, the promotion of ICT and increased community economic participation.

People's College Nottingham



OUR PLEDGE

The Northamptonshire SSP believes that the revised Regional Economic Strategy provides a sound basis for work to regenerate the Northamptonshire economy.

We look forward as a partnership to working with *emda* to achieve the objectives of the strategy.

Northamptonshire Strategic Sub-regional Partnership

innovative technical solutions that support the roll-out of broadband infrastructure. The Office of the eEnvoy suggest that £63m would be required simply to install backbone infrastructure to public sites in the East Midlands, with potentially, an additional £300m to provide local access.

The region should consider how it might realistically aggregate demand in the public sector to deliver affordable broadband that connects the whole of the East Midlands.

To keep the East Midlands' economy competitive over the lifetime of this strategy, the region cannot adopt a static definition of broadband, rather, in line with the Broadband Stakeholder Group, the region should plan for *generations* of broadband, each delivering continuously improving levels of service.

Photograph right: ©Loughborough University.



...**innovative technical solutions** that support the roll-out of broadband infrastructure...

information and communications technologies

key activities targets



Raise awareness of the benefits of ICT through a major campaign aimed at the private, public and education sectors, using demonstration facilities, awards and a network of access centres with materials delivered in a variety of languages.



Deliver online regionally branded information on new ICT developments and applications working with UKOnline and European Programmes to develop and brand a single point of access providing impartial advice and information, research studies, funding and learning opportunities and project/partnership opportunities.



Attract ICT literate business to the region and support indigenous businesses through the provision of high specification ICT locations.



Raise awareness of the environmental benefits of using ICT through a campaign focusing on reducing (business) mileage and the consumption of natural resources.



Deliver high speed ICT access in rural and less accessible areas by piloting innovative technical solutions based on satellite or wireless technologies and rolling them out across the region in response to need.



Expand eGovernment services by aggregating public sector demand, stimulating the demand for new services and improving those that are delivered via ICT.

Increase the number of businesses trading online to 15% by 2005

Increase the number of businesses trading online to 20% by 2010



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



tourism and culture

the challenges

tourism is one of the fastest growing industries globally, with worldwide growth expected to be 4% per year up to 2020



Tourism and culture are intrinsically linked and both have close economic relationships to museums, galleries and heritage. The major issues affecting tourism in the region are the lack of recognition of regional attractions; the quality of the product or information related to skills and training; and the lack of relevant business advice and support.

The role and influence of culture as described in the East Midlands cultural strategy *Time for Culture* is very wide reaching. The issues relevant to this economic strategy concern the development of the cultural economy, especially the creative industries; the value of culture in creating an environment that is attractive to investors; and the role of culture in regeneration. Also many of the region's sporting centres are under-exploited.

Fostering an environment that both enhances and supports the region's cultural and historical assets is fundamental to developing sustainable and creative communities, as well as a better quality of life. There are many linkages between tourism and culture and the other strands of this strategy, but

Photograph left: Leicester Caribbean Carnival, courtesy of Leicester Promotions.

particularly to *Employment, learning and skills, Economic growth and the environment, Site provision, and Transport*.

tourism

Tourism is one of the fastest growing industries globally, with worldwide growth expected to be 4% per year up to 2020.

The industry represents a significant investment flow to the East Midlands. It contributes 3.5% to GDP and accounts for 30,000 businesses of which over 75% are small and privately owned. The sector is forecast to provide 15,000 new jobs in the region by 2008.

...**tourism** is forecast to provide **15,000 new jobs** in the region by 2008...



Tourism has tremendous potential to contribute to the growth of the regional economy, but with the challenge to avoid threatening the quality environment upon which it depends on for its success. There is a careful balance between the growth of the tourism industry and the impact of this growth on both the environment and local communities, particularly in rural areas.

The main focus on growth should be on increasing visitor spend rather than visitor numbers, placing emphasis on turning day visits into overnight stays.

A 7-year regional tourism strategy will be prepared during 2003 with regional partners, which will describe how to accelerate change in the industry, strengthen the economic impact of tourism, and minimise negative environmental impacts, both in relation to the built infrastructure and the management of tourist numbers.

The strategy will also explore how design and the arts can be interwoven with tourism development.

Many of the region's destinations have a very low profile, with some exceptions such as Lincoln, the Peak District and Robin Hood Country.

New product development and marketing required to attract visitors should apply to improving the quality of accommodation, information provision, and overall service. Niche products will be developed building on emerging regional strengths such as cultural tourism, market towns and ecotourism.



Data for 2000-2001 shows that day visitors spend an average £10 per trip, as opposed to domestic overnight visitors who spend an average of £147 per trip, and overseas visitors spending on average £324.

Tourism businesses will be supported to take full advantage of ICT developments; will be given better market information; and will be involved closely in developing more appropriate approaches to training and professional development in the sector. Training in the tourism sector should be tailored to the skills required by employers in the industry, including hospitality. This has started through the Workforce Development Plan being implemented by the local Learning and Skills Councils, and in the next 3 years will be supported by the development of a skills network in the region.

culture

Creative industries make a major contribution to the economy employing around 85,000 people and rising. Earnings are substantially higher than the

Photograph left: Conkers Visitors Centre, Leicestershire.

OUR PLEDGE

Culture East Midlands will work with emda and regional partners to ensure that the arts, sport, heritage, museums, libraries, archives, media, tourism, the creative industries and the lottery have a positive impact on the region's social and economic success, community well-being and quality of life.

Culture East Midlands



Photograph: ©University of Nottingham.

...more than 25,000 people are employed in the region in jobs that are directly related to sport and **this has seen a growth** of over 300% in the last decade...

OUR PLEDGE

Sport England in the East Midlands and the Regional Sports Board are committed to supporting the implementation of the Regional Economic Strategy and welcome the opportunity to play their role in maximising the contribution of sport to all aspects of the economic, environmental, social and spatial life of the East Midlands.

Sport England in the East Midlands

regional average and rapidly rising with a high proportion of self employed people. That said, the sector is not growing as fast as in the greater South East.

The cities have the largest concentrations of creative industries, with Nottingham traditionally the largest, but Northampton showing the most rapid growth. However, the strongest growth is in market towns, rural districts and the city fringes.

Many places have the potential to become a hub for cultural activity and industry, with the inevitable link to tourism. Cultural quarters are being developed in a number of localities in the region, both urban and rural, which will also support the development of businesses. Culture and sport are important factors in the attractiveness of the region. Apart from the physical locations - such as theatres and museums - environmental design of buildings and spaces is important both economically and aesthetically enhancing where individuals work and play.

This links across to the *Urban regeneration* strand.

sport

More than 25,000 people in the region are employed in jobs that are directly related to sport growth of over 300% in the last decade.

The East Midlands has a range of internationally recognised sporting venues - ice sports at the National Ice Centre, cricket at Trent Bridge, motor racing at Silverstone, Donington and Rockingham and water sports at the National Watersports Centre all are key drivers of the local economy. In addition, there are 10 football league clubs, 4 county cricket clubs, 2 premier rugby union clubs and 5 race-courses.

Particularly significant is the developing English Institute of Sport site at Loughborough University, with its concentration of elite training facilities and athletes who are lottery funded world-class performers (current estimates indicate that around 50% of the country's elite athletes will be East Midlands based). This concentration of facilities and athletes is a catalyst for inward investment and stimulates the development of the local economies developing a specialised skill base within the region.

Photograph right: Walkers Stadium, ©Leicester City Football Club Marketing.

National Governing Bodies are looking to relocate to the region bringing jobs and creating opportunities to retain graduates. The region needs to capitalise on these characteristics and market the fact that world class athletes either live, were educated, or train within the region.

Sport has the capacity to connect with individuals whatever their circumstance. This characteristic can be built upon in empowering communities generally, but may be particularly significant in developing the economic capacity and performance of disadvantaged communities and individuals. Again this characteristic is under exploited to date and should be developed.



tourism and culture

key activities targets



Develop and implement the regional tourism strategy.



Increase the number of visitors sourcing tourism information online and tourism businesses trading online by promoting the use of online booking and business.



Increase access to and provision of specialist business advice through a business network and specialist business advisers.



Implement the 5-year recommendations of the Tourism and Culture Workforce Development Plan.



Recognise and promote projects that support environmental good practice in the tourism industry.



Establish clear evidence of links between arts, sport and economic regeneration, through research and pilot projects.



Develop niche product areas such as ecotourism, cultural tourism, and business tourism.



Establish the region as a world-class environment that attracts major investment by increasing its capacity to attract major international events.



Develop quality initiatives linked to accommodation, food and drink, employment and skills, and the provision of information.



Develop the creative industries cluster.



Establish a sports cluster to maximise the internationally significant developments at Loughborough University.



Examine the efficacy of sport in developing community regeneration and sustainable communities through developing pilot projects.

Increase visitor spend in the region by an average of 1.6% per year by 2005 and by an average of 2% per year by 2010

Increase tourism contribution to GDP to 4.5% by 2010

Photograph: Below: Rutland Water. Top right: ©Loughborough University.



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



rural development

the challenges

the question is
how to harness
the economic
potential of the
rural areas,
while retaining
the balance
between growth,
communities and
the environment



The overriding issue affecting economic development in the rural areas is access, whether it be to business development services, or skills, to transport or to services.

The region's rural areas comprise the countryside and the many communities within it, including the market towns which serve them.

The rural area, including the market towns, contain over 40% of the region's population, compared to nearer 20% nationally.

As with everything else in the East Midlands, there is great diversity in the rural areas. In North Derbyshire, the Peak District with isolated upland settlements; the former mining villages of the Nottinghamshire, Derbyshire and Leicestershire coalfields; rolling arable and mixed farmland in the east and more prosperous south west of the region; intensive arable and horticulture in the Lincolnshire Fens; the coastal resorts and their rural hinterland. The latter are geographically on the periphery of the region and in need of greater economic diversification to counterbalance the over-dependence on seasonal 'traditional' tourism.

Photograph left: Stamford, Lincs.

Despite this diversity, the key rural issues are broadly the same throughout the region. It is the degree to which factors such as remoteness, accessibility and the impact of agricultural and other economic restructuring vary, rather than the issues themselves.

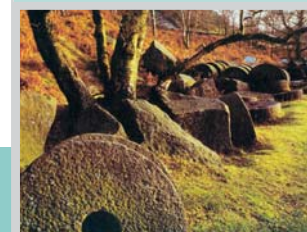
There are many linkages with most of the other strands in this strategy. In particular the tourism aspects are covered under *Tourism and culture*, and infrastructure is covered under *Site provision and development*, *Transport* and *ICT*.

The rural area as an economic asset has in general, out-performed the regional average in recent decades, but this hides the fact that in less accessible areas, serious structural issues remain. Pockets of deprivation are often hidden since they usually sit in the same wards alongside more prosperous households. For the region as a whole, the question is how to harness the economic potential of the rural areas, while retaining the



...**farming occupies 80%** of the land in the region, compared to 75% of the UK as a whole...

Photograph: Left ©Mike McFarlane



balance of interests between growth, the needs of communities and the environment. Given that the quality of the rural environment is often considered to be the prize, any economic development must take care not to degrade the natural and built assets that exist.

There remains a marked difference between the transport infrastructure in the west and the east of the region, with the east remaining relatively isolated from essential services. East to west communications are poor.

Access to broadband telecommunications in rural areas is low.

The main industries in the rural areas are agriculture, horticulture, tourism, food processing and distribution. Packaging, labelling and machinery-based engineering are also prominent in the market towns.

Farming occupies 80% of the land in the region, compared to 75% of the UK as a whole.

It employs a higher than UK average percentage of people - approximately 2%, reaching a peak of over 10% in parts of Lincolnshire.

Total regional output is £1.6 billion per year of which 65% is from arable production.



There is a wide range of associated industries both 'upstream' (animal feed, seeds, fertilisers, agricultural machinery, engineering) and 'downstream' (food processing, packaging, haulage and distribution) in which employment is linked to agriculture. It is estimated that for every job in agriculture, a further 6 are in associated industries. The ramifications of reform of the EU Common Agricultural Policy will therefore need to be carefully managed.

The agriculture and food sector is particularly vulnerable to external factors, which can make business planning and long-term investment decisions difficult. Jobs continue to be lost as a result of mergers and mechanisation.

Income and skill levels remain generally low. Seasonal, casual and fixed-term contract work are very common.

All of the challenges facing agriculture and the food production sectors in the region are as set out in the report of The Policy Commission on the future

Photograph left: Supplied by KSB, Loughborough.

the ramifications of reform of the EU Common Agricultural Policy will therefore need to be carefully managed



OUR PLEDGE

This strategy can make a positive difference to the people, places and environment in the East Midlands, in both town and country. The Countryside Agency looks forward to working to fulfil this aim with emda and our other partners.

Countryside Agency

of farming and food (the "Curry" report). The food related activities are low-paid and low-skilled.

The region's food profile will need to increase based on an expansion of the rural food business sectors. This will provide opportunities for businesses and individuals to capitalise on local procurement, which will become a more pressing need with the expansion of the EU offering more lower cost opportunities for food processing in mainland Europe.

Diversification within the rural areas should concentrate on encouraging new enterprise to start up and grow in these localities. Alongside this needs to go the refocusing and retraining of individuals to prepare them to be able to take up these new opportunities as well as start up new businesses themselves.

Diversification is closely related to the availability of appropriate accommodation for businesses including high speed access to ICT. A key factor in all of this is to provide employment and housing

opportunities in the same localities, but which offer progression on both fronts.

The Market Towns have a pivotal role as "service centres" in the main community and their rural hinterland.

It is important that their economic and social development goes hand in hand with the identification of the particular needs of their hinterland.



...the **market towns** have a pivotal role as "**service centres**" in their rural hinterland...

Given the large number of market towns in the region - 145 - ranging in population size from 2,000 to 25,000, it is important that towns share 'best practice' guides and develop benchmark strategies with commonalities across towns of different sizes.

Industrially there is a dependency on sectors which are either in decline or are undergoing major restructuring. There is under-representation of key new growth sectors such as financial and professional services, and high-technology sectors. A greater emphasis on the promotion of enterprise and innovation is required.

While rural enterprises face the same competitive pressures as their urban counterparts, they often have to contend with additional barriers resulting from isolation and inadequate local infrastructure - ranging from transport, to a relatively low-skilled workforce. These barriers are made more significant by the fact that the vast majority of rural businesses are small. Many can be classified as micro-businesses and the rural areas traditionally have a higher level of self-employment.

Photograph left: Doughty's Mill, Lincolnshire.

...there are significant variations in **key service provision** in the region...



A report by the Middlesex University Business School states that in the 1980s, rural SMEs outperformed urban firms in terms of employment growth and product innovation, but recent evidence suggests that this pattern has been reversed. As more businesses use the internet, especially with the spread of high-speed broadband access in predominantly urban areas, there is a danger that rural SMEs may be further disadvantaged by lack of access to broadband technology.

The overall picture of the declining relative employment growth performance of rural SMEs through the 1990s is mirrored by evidence of net losses of VAT registered businesses in rural areas.

These findings provide a case for enhancing the rural business support infrastructure, not only to meet the specific needs and problems of rural businesses, but also to enable rural areas to play their full part in achieving regional economic growth.

There has been a steady decline in the provision of rural services since 1991. There are significant

variations in key service provision in the region compared to national provision, with a higher proportion of rural parishes without post offices, pubs and banks/building societies than is the case nationally.

Identification of the issues relating to service provision and the adoption of appropriate solutions including the use of ICT-based solutions, is essential to maintain the vibrancy of the scattered communities.



Photograph right: Rockingham Village, Northamptonshire.

rural areas
traditionally
have a higher
level of
self-employment



...the **region's food profile** will need to increase based on an expansion of the **rural food business** sectors...

Photograph: Simon Bolton

OUR PLEDGE

The East Midlands Rural Affairs Forum will work in partnership to ensure that stimulating community enterprise and creating sustainable rural communities are at the heart of the Strategy's delivery.

East Midlands Rural Affairs Forum



rural development

key activities targets



Develop and implement a revised Rural Action Plan.



Diversify the agricultural base by assisting primarily agricultural businesses to move into more profitable and/or non-agricultural activity.



Raise the profile of regional food by establishing a Regional Food Group.



Provide dedicated business advice and support to rural businesses, including agriculture, through measures tailored to ensure equality of access for rural businesses.



Provide access to high speed ICT in all rural areas by lobbying EU and UK Government and private sector providers.



Provide access to learning and skills for workforce development through methods and media to ensure equality of access for rural communities and businesses.



Improve the rural physical infrastructure, including transport, housing and workspace through application of appropriate funding streams and greater integration of relevant agencies.



Support the action plans of the Market Towns.



Retain or enhance service provision accessible to rural residents and businesses by lobbying service providers.

Reduce the productivity gap between the least well-performing rural areas and the English median

Note: target, baseline and numbers to be agreed

Photograph: © Mike McFarlane



KEY



Private Sector Partners



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Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners



Indicates lead



urban regeneration

the challenges

cities are
recognised as
important motors
of growth for
regional
economies



Urban areas in the East Midlands can be classified into three tiers - four cities, five towns with populations over 50,000 and twelve small towns with populations over 25,000. Whilst there is great diversity in the nature and geography of these cities and towns, the key issues are clear and consistent across centres. The challenge lies in dealing with the structural shifts of the past and accelerating the competitive advantage for the future. The focus of activity must be on the urban economy, physical regeneration, engaging communities and ensuring that the broader areas of crime reduction, housing, education and health contribute to the urban offer.

This strand therefore has close links to *Enterprise*, *Enterprising Communities*, *Employment Learning and Skills* and *Site provision and development*.

A wide regional consultation resulted in an Urban Action Plan in April 2001, which prioritised urban areas and the issues to be addressed.

The plan identified partners in delivery and prioritised the urban activity which engaged and benefited communities.

The plan is a platform for a structured discussion with regional partners and will be further developed.

Photograph: ©University of Derby.

The challenge rests with the alignment of policy and delivery mechanisms.

Cities are centres of economic specialisation, knowledge generation, magnets of business development and provide connectivity to international, national and regional markets, as well as contributing to wealth in their respective hinterlands. Increasingly cities are recognised as important motors of growth for regional economies.

However there is evidence that the East Midlands' largest cities are failing to 'punch their weight.' Only Nottingham has exceeded the EU average in

...**physical renewal of cities** and towns is a key element of regeneration...



terms of output growth since 1982, with the highest GVA per capita in the region, but none of the East Midlands' cities can match European Union average productivity.

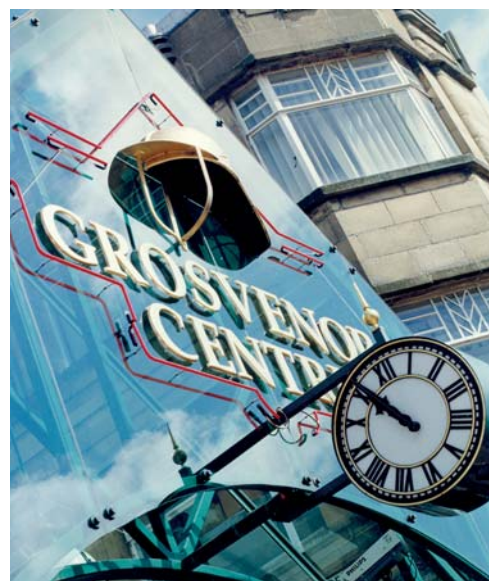
The prospects for successful urban regeneration, for combating social exclusion and for maximising the urban contribution to regional GDP, are all heavily dependent on a thriving business sector in our cities and towns. This means that the needs of urban business, both in terms of incoming employers and indigenous business must be met.

Physical renewal of cities and towns is a key element of regeneration. The Government's aim to create high-quality cities and towns is an important step towards increasing the urban offer and to drawing new people and uses into centres.

A new vision for urban areas is emerging which challenges the fragmentation of area-based initiatives and short term competitive funding programmes, which together have diffused the impact on regeneration activity.

Masterplan activity seeks to establish a partnership approach to physical development and sustained investment in urban areas.

A key issue now for the region is delivery. Urban Regeneration Companies will be key bodies leading the successful prioritisation and implementation of City Growth Strategies.



Planning, design and infrastructure improvements should ensure that movement of people to locations of greater job opportunities helps reduce regional variances and enhances the efficiency of local labour markets.

An important aspect of the masterplan activity is the engagement of urban communities in shaping the further potential of cities and towns. More broadly, it is important that our communities benefit from the employment and growth opportunities that inward investment and urban renewal brings. Building capacity within urban areas for communities to participate in the regeneration process is a key part of the *Enterprising Communities* agenda.

Crime and community safety, poor transport connections, poor educational attainment and lack of choice of housing have proven to be powerful push factors leading to an exodus of urban populations. Cities and towns, through planning activity and delivery mechanisms, are focusing on turning these areas into pull-factors.

Photograph left: Grosvenor Centre, Northampton.

OUR PLEDGE

Greater Nottingham Partnership will play an active role with *emda* to achieve the objectives of the Regional Economic Strategy. This in turn will greatly enhance our sub region of Greater Nottingham. We believe close working between *emda* and the sub-regional strategic partnerships are key to the East Midlands becoming a top twenty place in Europe to live, work and be in business.

Greater Nottingham Partnership



OUR PLEDGE

The Leicester Shire Economic Partnership is committed to participate in the delivery of the economic ambition of the city and the region. The Leicester Shire Economic Partnership provides a mechanism to drive forward economic ambition and to integrate that ambition with local community aspirations.

Leicester Shire Economic Partnership SSP

The region has a heightened awareness of the contribution urban areas make to the economy. The urban renaissance vision seeks to establish clear leadership and focus to create an equal distribution of economic opportunity and income between city and region.

The vision is to increase the choice of where and how people live, and allow individuals and businesses to make the decision to locate and invest in urban centres without the threat of detriment to quality of life or trading activity.

This new offer will attract business and residential communities into the urban core but is dependent upon creating an attractive quality of life. This means making the most of the cities' distinctive assets, raising aspirations on design and environmental factors and building an innovative and stimulating urban environment. To underpin this activity, enhancement of public services and reduction of social division are key.

Creating the right complementary mix within and

between the cities will maximise the region's competitiveness potential. The three core cities of Derby, Leicester and Nottingham offer an impressive combined market force. It is important that the benefits of this combined critical mass can be exploited for the region's growth prospects; major opportunities relating to road, rail and airport infrastructure are likely to be key drivers for further growth.



The role of smaller urban areas to deliver the vision is also an important focus and introduces additional issues of capacity building, and town centre design and management.

Many of the issues described above will be part of the agenda of the Centre of Excellence in Regeneration and Economic Development. The Centre will be involved in all aspects of economic, social and environmental development, both urban and rural. It will be a forum for networking, mentoring, coaching and exchange of best practice in order to improve the capability of all individuals and organisations involved.

Photograph left: Bede Island Land Registry buildings. ©Leicester Promotions.

urban regeneration

key activities targets



Enhance the competitiveness of businesses in the urban areas through City Growth Strategies, cluster development, Inner City 100 type initiatives, targeted business support, especially for minority businesses.



Create a sustainable and sequential land supply for new businesses and residential use through bringing derelict and under-used sites and premises into use, and by providing new quarters of development in the cities and towns to meet needs of high growth industry and its support services, ensuring that design and density thresholds reinforce the urban offer.



Address issues which encourage exodus of urban populations through removing the obstacles which threaten business growth. For example, reducing crime in inner cities and on outer estates, enhancing the housing offer and ensuring linkages with service providers to match facilities available outside town centres.



Increase the collective impact of the three core cities of Derby, Leicester and Nottingham through analysis of the larger competitive catchment the three can offer, and the creation of a working group to focus on exploiting areas where synergy will result in future competitive advantage for the region (ref *The 3 Cities Spatial Study* due to start in 2003).



Engage urban communities in the improvement of their areas by prioritising local regeneration strategies over which local communities have clearly had a demonstrable influence.



Create a clear and cohesive city and town vision through framing physical regeneration activity within masterplans and through sustained investment into the vision.



Address the additional challenges faced by smaller urban areas through healthcheck and masterplan activity.

Achieve growth of 4.7% in the population of the region's towns and cities by 2010

Achieve a growth rate in knowledge intensive industries of 1.5% per year in towns and cities until 2005 and 1% per year between 2005 and 2010

Increase the economic activity rates in towns and cities to 61.5% by 2005 and to 64.5% by 2010

Increase average weekly earnings in towns and cities to be within 5% of the national average by 2005 and to be within 2% of the national average by 2010

Photograph: Bede Island, Leicester. ©Leicester Promotions.



KEY



Private Sector Partners



Public Agency Partners



Higher Education Partners



Employment, Learning and Skills Partners



Regional Governance Partners



Independent Regional Networks



Local Partners

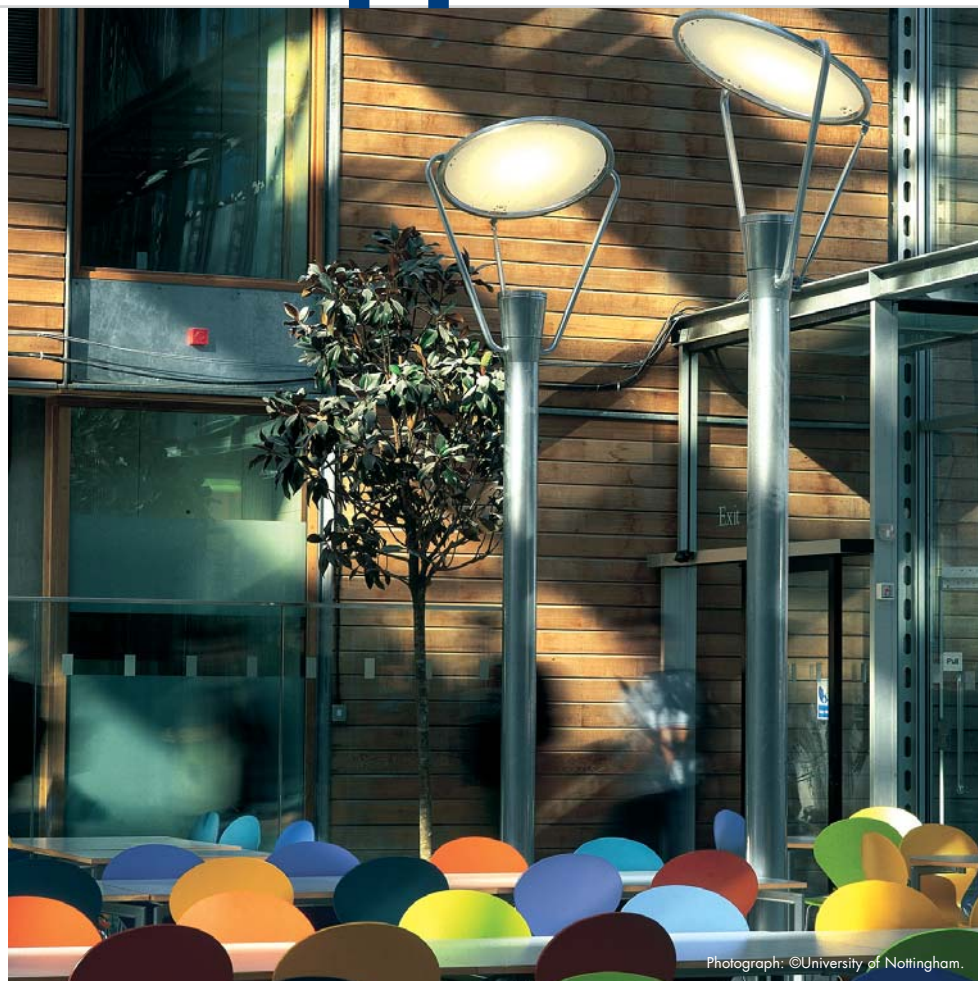
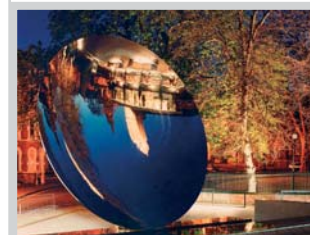


Indicates lead

end of strands



appendices



Photograph: ©University of Nottingham.

employment and skills

enterprise and innovation

climate for investment

91

appendices



executive summary

sustainability appraisal



Executive Summary

Sustainability Appraisal of the Revised Economic Strategy for the East Midlands, Draft for Consultation

Report to East Midlands Development Agency by netcen – an operating division of AEA Technology.

AEA Technology Environment (netcen) has been commissioned by the East Midlands Development Agency to undertake a Sustainability Appraisal of the Draft Revised Economic Strategy (RES) for the East Midlands. The purpose of this sustainability appraisal is to ensure that the policies that are being put forward in the strategy are in support of the general principles of sustainable development.

appraisal methodology

The appraisal methodology has followed closely a framework developed by the East Midlands Regional

Assembly (EMRA), as outlined in the report "Step-by-step Guide to Sustainability Appraisal". The EMRA guide was adapted and used to appraise the previous Regional Economic Strategy "Prosperity through People", and more recently to appraise the Regional Environment Strategy "Objectives and Policies for the East Midlands Environment". The key steps that make up the sustainability appraisal can be summarised as:

Assessment of how the objectives of the RES compare with the sustainable development objectives set out in the Integrated Regional Strategy (IRS);

Scoping of the draft RES to identify the extent to which it covers the full range of sustainable development concerns;



Appraisal of the contribution of the individual policies and options to sustainability;

Evaluation of whether the policies are compatible with each other;

Recording and reporting of the findings.

key conclusions

compatibility of objectives

The objectives of the draft RES have been appraised for compatibility with the sustainability objectives for the region. The appraisal found that all objectives are broadly compatible with the regional objectives of sustainable development. None of the objectives have been identified as incompatible, although a few of the objectives are only partially compatible.

scoping of policy challenges

The policy challenges proposed in the draft RES have been compared with the sustainability objectives outlined in the IRS. It was found that all elements of the sustainable development framework have been addressed as part of the draft RES.

The strategy includes policy challenges relevant to each of the different sustainable development objectives of the East Midlands region. The policy challenges identified in the strategy make the greatest contribution to the economic objectives of the IRS. However, several of the policy challenges also have a strong relevance to the environment, social and spatial components.

Certain sustainability objectives are less well covered by the policies defined in the draft RES than others.

There may be scope for improving coverage of the following objectives in particular:

Social objective SO1 relating to the quality of the housing stock;

Environmental objective EN4 regarding the involvement of people in minimising environmental impacts; and

Spatial objective SP2 relating to the enhancement of the regional infrastructure.

No specific additions are required to the policies developed with the draft RES in order to ensure that all sustainable development objectives are covered. However, for those objectives where coverage is low, the possibility of expanding relevant policy areas to address these objectives should be investigated.



appraisal of policies

A detailed appraisal has been undertaken for each of the policy challenges proposed in the draft RES. The contribution of each policy area to each of the regional sustainable development objectives has been appraised.

All 15 of the policy challenges were found to be broadly consistent with the 4 pillars of sustainable development (social, environmental, economic and spatial). Implementation of the proposals within the draft RES are therefore likely to make a strong contribution to the sustainability goals of the East Midlands region.

A wide degree of variation was found between the different policy areas. For most of the policy challenges, the strongest impact was found to be upon the economic objectives set out in the IRS. However, a number of the policy areas were found to have a significant positive impact upon all components of sustainable development:

- Rural regeneration;
- Site provision and development;
- Information and communication technologies;
- Enterprising communities; and
- Transport.

For a number of policy challenges, the impacts upon the sustainability objectives are uncertain. These areas should be investigated further in order to enhance potentially positive impacts and mitigate negative impacts.

The strongest negative or potentially negative impacts were identified in relation to transport and tourism and it is suggested that these policies should therefore be implemented with particular care for their social, environmental and spatial impacts.

policy compatibility

The policy challenges proposed in the draft RES have been compared with each other to test for compatibility. All of the policy challenges have been found to be compatible with each other. This is unsurprising since they have all been defined in terms of the strategy's 3 key drivers of success.

recommendations

Whilst all objectives are broadly compatible with the regional objectives of sustainable development, for some sustainable development objectives, the policies proposed within the RES could be further strengthened to provide a more complete coverage of the issue, such as in relation to housing or enhancing the region's infrastructure.

Where the proposed policy measures have a clearly detrimental effect on the sustainable development objectives (as identified in the appraisal tables that make up the bulk of this



report), the RES should seek to identify mitigation measures. In relation to policy on tourism, for instance, greater account might be taken of linkages with adjacent regions (a spatial sustainability objective).

Policies that have the potential to enhance the sustainability of the region across a wide range of objectives should be promoted where possible and given greatest priority in the implementation stage. For example, the *Rural regeneration*, *Urban regeneration* and *Information and communication technologies* challenges contribute well to all 4 pillars of sustainable development.

The *Economic growth and the Environment* challenge has a strong role in determining the environmental impact of the policies on the region. Its linkages with the other themes could be strengthened, for instance by making greater reference to the particular issues of

concern, such as the impacts of economic development on the environmental diversity of the region.

footnote by emda

The full Sustainability Appraisal, which is published alongside this strategy, sets out a detailed assessment of the draft Regional Economic Strategy against each of the Sustainable Development Objectives in the IRS. The main focus of the Sustainability Appraisal was the context and the Key Activities set out in the strands of the draft economic strategy.

In preparing this final version of the regional strategy, emda has considered each of these assessments, against the revised, expanded strands which are set out in Chapter 3 of this strategy. emda has taken account of all the comments and proposals made in the Sustainability Appraisal in redrafting this document. In order to comply with the principles of sustainable development, care may also need to be taken in implementation of some of the proposals set out in this strategy. This will be ongoing.



east midlands economic profile

east midlands economic profile

In May 2002, *emda* published a thorough review of the region's economic performance - *The State of the Region's Economy* - based on research carried out by DTZ Pinda Consulting. The review has been a major reference point for *emda* and others in considering what adjustments needed to be made to the original strategy published in 1999. The main points to highlight from the report are as follows:

The population of the East Midlands is approximately 4.1m of which 76.8% of working age people are employed, compared to a UK average of 74.3%. The region has performed well in terms of population, with levels growing by 9.2 % from 1981-2000, over three percentage points above national trends. Population growth over and above net natural change (that is the balance of births and deaths) indicates that the region is able to both retain its existing population and attract

migrants. Population is forecast to continue growing steadily, consistently above expected national trends.

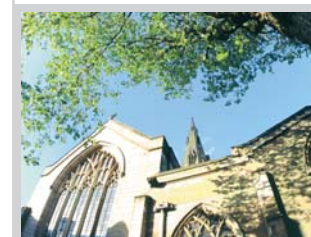
The region's working age population (that is 16 - pensionable age) is similar to the national average and is forecast to remain so up to 2021. However, the region is forecast to experience a greater growth in the pensionable age population than the national average. This implies the East Midlands will have a greater dependency problem than the UK as a whole, a problem likely to be more acute for areas such as Lincolnshire, with a disproportionate share of older migrants.

The region's economic performance, as measured by GDP per head, improved by some 18% over the latest 3 year period for which comparable figures are available, compared with 8% for the EU as a whole. We have the highest rate of GDP per head outside the greater south-east (that is London, South East and East of England). We still lag some way behind the EU average - only two UK regions are above the line.

Our relative performance on employment and unemployment, on the other hand, is declining relative to the rest of the EU, reflecting improving labour market conditions overseas. Overall, however, the UK is still out-performing the rest of Europe on employment measures but there are signs that the gap is narrowing.

The East Midlands' employment record is underpinned by the region's high economic activity rates amongst the working age population – both for males and females, as well as in total. For these measures, the region has consistently exceeded UK rates by one to two percentage points since 1996.

Only 3.5% of the East Midlands workforce is located in high technology services. In terms of the broader measure of 'knowledge-intensive services', the East Midlands is even less well placed. This is a weakness for the region's economy that must be addressed, through attracting high-value service sector activity, especially that linked to the region's manufacturing strengths.



Increases in hi-tech manufacturing and knowledge services compare favourably with the EU average but we are rising from a relatively low base. We have one of the lowest levels of ICT usage per employee in the country.

The same is true of productivity, where the UK as a whole performs well below the EU average.

Despite the positive signs, there is mounting evidence of a low productivity, low pay, low skills equilibrium in the region. We are holding our own, but we are reaching the point where we have to find substantial new sources of growth if we are to have a realistic chance of becoming a Top 20 European region.

Given the above average concentration of manufacturing in the region, we are vulnerable to structural adjustment as national trends towards service sector growth continue.

Tight labour market conditions, i.e. below average rates of employment, accompanied by

relatively low average earnings (89% of UK average), reinforces low productivity rates in the region.

Below average earnings levels in the region contribute to higher qualified individuals seeking higher paid employment elsewhere. This contributes to more businesses experiencing recruitment difficulties and skill shortages. In particular, efforts to encourage new technology - based industrial growth may be constrained by a lack of potential recruits in the local labour market. The region needs to retain the graduate population, and encourage graduates who left to participate in Higher Education outside the region, to return.

The region is performing below average on GCSE attainment relative to the UK and England, although the position relative to other regions is healthy. The region has a below average proportion of working age individuals with degrees or post-graduate qualifications. Managers and administrators and professional

occupations are under-represented in the region. These problems contribute to skill deficits and hard-to-fill vacancies.

Not all of our major cities are currently competitive in terms of productivity and output growth, compared with most of their EU counterparts. This is a matter of concern given their role as engines of growth within the regional economy.

There are significant sub-regional variations, with unemployment towards the north of the region and in the major cities approaching the EU average. The majority of relatively poorly qualified workers live in the region's urban and semi-urban areas. The region has not punched its weight in attracting new investment from overseas.

On most measures of human capital, knowledge intensity and innovation, the region performs below the UK average.

appendix 2



The region enjoys strong economic clustering with good interrelationships between clusters. The DTI indicates that 27% of East Midlands' employment is located in clusters: the highest proportion of any UK region. This represents a potential strength to be exploited, but also implies dependence upon a relatively narrow economic base, making the region vulnerable to global competition and external shocks.

Two regional clusters are identified as being of international significance: aerospace (engines) and healthcare. The ability of a regional agency to influence the direction and success of these clusters might be limited, but the businesses that drive these clusters. Rolls-Royce, for example, have much to offer in terms of sub-contracts and emulation benefits.

Strengthening industry links with the region's universities, research and teaching institutions is a vital part of moving towards a high-value and knowledge-intensive economy. The East Midlands needs to use its existing strengths as a basis for high-value, embedded economic

development that will help restructure the economy to meet the challenges of globalisation.

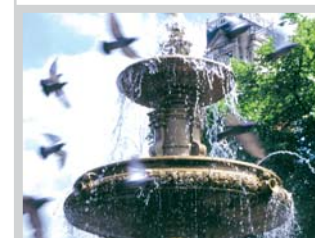
For many of the indicators of social inclusion, the region does not have the scale or intensity of deprivation of some other UK regions, but there are pockets of disadvantage in the urban and remote rural areas. In other rural areas such pockets are often masked by prosperous areas nearby.

These and other findings of the economic review are reflected in Chapter 3.



Photograph above: © Capital One

Top 20 Index and regional targets



Top 20 Index

The limitation in any approach to “Top 20” measurement is data availability. A range of economic and social statistics collected in the UK allow inter regional comparison, but there are far fewer series of reliable data allowing inter state and inter regional comparisons across Europe, and less across the world. “Europe” means the 77 European regions for which data is collected by Eurostat.

emda has investigated which data series are available at EU level to enable some comparison. The first edition of the economic strategy recognised that income (GDP per head) is not the only measure of economic success. This would risk ignoring jobs, equality and the environment.

The measures used must be reliable, readily understood and comparable with the 77 European regions. The overall set of indicators should be robust and intelligible and be the smallest number

compatible with income, jobs, equality and environment to give a balanced picture of regional performance.

Ready, reliable and comparable measures are available across the EU for GDP per head, employment, unemployment and equality. On environmental sustainability, the difficulty is the availability of data in the EU.

However, it has been possible to capture reasonable data to develop a resource productivity indicator comprising waste and energy. Explanations of the indicators are as follows:

GDP per Head:

the total of all economic activity taking place in a specified area before providing for depreciation. GDP at both regional and county level is estimated as a sum of factor incomes. The value comprises income from: employment, self-employment, manufacturing and non-manufacturing profits and rent, less stock appreciation. GDP per head values

are obtained by dividing annual or period GDP at current market prices by population.

employment:

the percentage of the working age population within a specified region who are employed, self-employed, on a work-related government-supported employment and training programme, or are an unpaid family worker.

unemployment:

the number of people who are classed as ILO unemployed as a proportion of the resident economically active population in the area concerned.

equality:

a disparity index has been constructed from the relationship between the highest and lowest GDP areas within the region. This involves dividing the highest GDP by the lowest, where the best result would be the index nearest to 1, or parity. This approach is flawed to the extent that the income is



work based, i.e. the workplace, rather than the home of the individual. This means that the high GDP areas are often those localities where the good jobs are, but the employees actually live elsewhere. This is the case in the East Midlands where Nottingham City has the highest GDP per head in the region. However in the absence of any more robust available data, this disparity index has been included as the equality component within the overall index.

environment:

a resource productivity index has been produced, combining two economically relevant measures where reasonable data for most EU regions is available on a comparable basis. The measures are energy consumption per unit of GDP and volume of waste production per unit of GVA produced. These two have then been combined to produce a Resource Productivity Index.

The calculation behind the ranking scores is fairly straightforward, but not quite as simple as adding

up the rankings and dividing by the number of indicators. The scores across the rankings are added together and then divided by the number of rankings to derive a mean index score; these are then sorted in ranked order to determine a rank level for each of the 77 European regions (NUTS1 areas).

The position of the East Midlands against each of the measures, in the European league tables of 77 areas, is shown in the table below. This gives the East Midlands league positions in 2002, based on the latest available data at the time. It shows how the performance of the East Midlands varies dramatically (as is the case for many other regions) between the components.

Source: NUTS

Year	GDP per head	Unemployment	Employment	GDP index (high:low)	Resource Productivity
	Income	Jobs	Jobs	Equality	Productivity Environment
2002	40th	19th	8th	43rd	49th

A weighting score of 30% for GDP, 15% each for unemployment and employment and 20% for the remaining indicators has been adopted to reflect the importance of regional productivity but to take into account social and environment indicators. This gives the East Midlands an overall position of 35 out of the 77 European regions.

regional targets



	baseline	target	
		by 2005	2006 - 2010
Increasing wealth and productivity	Between 1994 and 1999, the average annual growth rate in GDP per head for the East Midlands was 2.3%, the same as the UK average growth rate <i>Source: Eurostat</i>	Maintain trend rate of GDP growth of 2.3 % by 2005	Trend rate of GDP growth to 2.5% by 2010
	Between 1989 & 1999, the average annual growth rate in GVA per capita for the East Midlands was 2.0%, the same as the UK average growth rate. <i>Source: ONS</i>	Maintain trend rate of GVA growth per capita of 2.0% by 2005	Trend rate of GVA growth per capita to 2.5% by 2010
	Regional annual growth in GVA per hour worked of 0.2%, 95.3% of the UK average (1999) <i>Source: Labour Force Survey, ONS</i>	Increase GVA per hour worked by an average of 0.7% per annum by 2010 NB: GVA not final due to ONS withdrawal of data on Dec 10 – new revisions not due till end of March 03 - target to be reviewed in light of new data.	
	10% of East Midlands respondents are 'considering starting their own business', compared to 12% for England as a whole (2001)	Increase the proportion of individuals considering starting up their own business to 12% by 2005	Increase the proportion of individuals considering starting up their own business to 15% by 2010
Enterprise	The business registration rate per 10,000 population in the East Midlands was 28.6%, compared to 31% in GB (2000)	Increase the VAT registration rate to within 5 percentage points (32 registrations per 10,000 pop') of the GB average by 2005	Increase the VAT registration rate to within 3 percentage points (35 registrations per 10,000 pop') of the GB average by 2010
	VAT registrations per 10,000 adult population in the region's 20% most deprived wards was 30 compared to 36 in the 20% least deprived wards	Reduce the gap in VAT registration rates between the most and the least deprived wards by 1% per annum	
	The proportion of businesses in the East Midlands registering in 1999 surviving their first year was 90.6% <i>Source: Small Business Services/ONS</i>	Increase the proportion of businesses surviving their first year to 92% by 2005	Increase the proportion of businesses surviving their first year to 94% by 2010

appendix 3



	baseline	target	
		by 2005	2006 - 2010
Enterprising communities	Wards in the region in the bottom 20% of the Index of Multiple Deprivation are 6.5 times more deprived than wards in the top 20% <i>Source: Indices of Multiple Deprivation, 2000</i>	Reduce the regional deprivation gap within the 20% most deprived wards from a multiple of 6.5 to 4 by 2010	
	The proportion of households receiving income support in the region was 11% compared to 13% for the UK <i>Source: Regional Trends, ONS, 1999/2000</i>	Reduce the proportion of income support claimants to 7% by 2005	Reduce the proportion of income support claimants to 5% by 2010
	There are 174 wards in the region in the lowest quartile of the employment deprivation index <i>Source: Indices of Multiple Deprivation, 2000</i>	Reduce the number of wards in the East Midlands that are in the lowest quartile of the employment deprivation index to 120 by 2010	
Employment, learning and skills	The region's employment rate is 74.3%, compared to a UK average of 72.2% - ranking the region 4th in the EU <i>Source: Labour Force Survey, ONS, 2000</i>	Increase the regional employment rate to 76.7% by 2005	Increase the regional employment rate to 80% by 2010
	Regional employment in sectors defined by Eurostat as 'knowledge intensive industries' is 33.7%, compared to a UK average of 39.3% and an EU average of 32.3% (1999) <i>Source: Eurostat</i>	Increase employment in knowledge intensive industries to 40% by 2005	Increase employment in knowledge intensive industries to 45% by 2010
	Skill Levels:	Increase the proportion of:	
	75% of 19 year olds in the East Midlands are qualified to NVQ level 2 or equivalent	85% of 19 year-olds with NVQ 2 or equivalent by 2005	90% of 19 year-olds with NVQ 2 or equivalent by 2010
	52% of 21 year olds are qualified to NVQ level 3 or equivalent	60% of 21 year-olds with NVQ 3 or equivalent by 2005	66% of 21 year-olds with NVQ 3 or equivalent by 2010
	44% of working-age adults are qualified to NVQ level 3 or equivalent	54% of working-age adults with NVQ 3 or equivalent by 2005	59% of working-age adults with NVQ 3 or equivalent by 2010
	23% of working-age adults are qualified to NVQ level 4 or equivalent <i>Source: Labour Force Survey, ONS 2001</i>	31% of working-age adults with NVQ 4 or equivalent by 2005	40% working-age adults with NVQ 4 or equivalent by 2010



	baseline	target	
		by 2005	2006 - 2010
Innovation	Expenditure by businesses on R&D as a percentage of the regional GDP was 1.27% <i>Source: Regional Competitiveness Indicators, ONS, 1999</i>	Increase business expenditure on R&D (as a percentage of regional GDP) to 1.4% by 2005	Increase business expenditure on R&D, (as a percentage of regional GDP) to 1.6% by 2010
		Increase participation in knowledge transfer schemes by 5% per annum	
International trade and inward investment	<i>Target is year-on-year</i> <i>Source: Foreign investment figures from UNCTAD World Investment report (annual)</i> <i>Number of exporters tracked by Trade Partners UK</i>	200 new exporters per year, to 2010	400 existing exporters to develop into new markets, per year, to 2010
		Increase foreign direct investment year-on-year, to 2010, by 1% above the average growth in the EU as a whole	
Economic growth and the environment	1.6% of energy consumption in the East Midlands came from renewable sources in 2000, compared to 2.6% in the UK <i>Source: Viewpoints on Sustainable Energy, EMRA, 2001</i>	5% of electricity generated from renewable sources by 2005	8.3% of electricity generated from renewable sources by 2010
	202 East Midlands organisations registered to accredited schemes (ISO14001, MACC II, EMAS) (2002) <i>Source: IEMA and GOEM</i>	300 new organisations registered to accredited schemes by 2005	1000 new organisations registered to accredited schemes by 2010
	3,787,000 tonnes of commercial waste was disposed in landfill sites in 1998 <i>Source: Environment Agency waste statistics, 1998-1999</i>	15% reduction in commercial waste to landfill by 2005 (compared with 1998 levels)	
Site provision and development	46% of previously developed land in the East Midlands is suitable for housing (1998) <i>Source: National Land Use Database (NLUD)</i>	Provide 50% of new housing on previously developed land and through conversion of existing buildings by 2005	Provide 55% of new housing on previously developed land and through conversion of existing buildings by 2010
		Provide 60% of new housing on previously developed land and through conversion of existing buildings in line with RPG8 by 2021	

appendix 3



	baseline	target	
		by 2005	2006 - 2010
Transport	Currently there are 113 freight train movements per day to and from the region <i>Source: The State of Freight Study, 2002</i>	Increase in the number of freight train journeys, to a minimum of 30 extra trains per day by 2010, in line with RPG	
	7.5% of the regional workforce travel to work by public transport (2000) <i>Source: The National Travel Survey</i>	Increase the percentage of the workforce travelling to work by public transport to 8.5% by 2005	Increase the percentage of the workforce travelling to work by public transport to 10% by 2010
ICT	10% of East Midlands businesses were trading online in 2001 <i>Source: SBS East Midlands E-Adoption Survey 2002</i>	Increase the number of businesses trading online to 15% by 2005	Increase the number of businesses trading online to 20% by 2010
Tourism	Visitor expenditure represented 2.6% of the region's GDP (1999) <i>Source: UK Tourism Survey</i>	Increase visitor spend in the region by an average of 1.6% per annum by 2005	Increase visitor spend in the region by an average of 2% per annum by 2010
		Increase tourism contribution to GDP to 4.5% by 2010	
Rural development	Reduce the productivity gap between the least well-performing rural areas and the English median by 2006 <i>Source: DEFRA</i>	Indicator areas: East Lindsey; West Lindsey; South Holland; High Peak; Bolsover - Baseline and targets to be agreed	
Urban regeneration	Between 1996 and 2000 the regional population in towns and cities has fallen by 0.2% compared to a national increase of 1.6% <i>Source: Annual Population Estimates, ONS, 2002</i>	Achieve a 4.7% growth in the population of the region's towns and cities by 2010	
	The regional employment in knowledge intensive industries is 43% in towns and cities, 1% below the national average <i>Source: Annual Business Inquiry, ONS, 2000</i>	Achieve a growth rate in knowledge intensive industries of 1.5% per annum in towns and cities until 2005	Achieve a growth rate in knowledge intensive industries of 1% per annum in towns and cities between 2005 and 2010



strands	baseline	target	
		by 2005	2006 - 2010
	In 2001 the economic activity rate in the region's towns and cities was 60.7%, below the regional average of 63.4% and the national average of 63.2% <i>Source: Labour Force Survey, ONS, 2001</i>	Increase the economic activity rate in towns and cities to 61.5% by 2005	Increase the economic activity rate in towns and cities to 64.5% by 2010
	Weekly earnings in the region's towns and cities average £355 per week, above the regional average of £344 but below the national average of £387 <i>Source: New Earnings Survey, ONS, 2002</i>	To increase average weekly earnings in towns and cities to be within 5% of the national average by 2005	To increase average weekly earnings in towns and cities to be within 2% of the national average by 2010
Top 20 indicator*	unit	baseline value	source
Unemployment Rate (ILO)	Percentage	5.1%	Eurostat, 1999
Disparity Index	Ratio of GVA per head at district level within a region (i.e. a high ratio would indicate a high level of disparity in wealth production between districts within a region)	2.2	Eurostat, 2000
Composite Resource Indicator	Waste Production (Municipal waste)	2.24 million tonnes	Eurostat, 2000
	Electricity consumption	22,936.3 giga-watt/hours	AEA Technology, 'Wales and Regions Economic Resource Productivity' Study, RDA Headline Figures for 1999 (will be replaced by DTI/Environment Agency figures in 2003)

*Where not included in regional targets



connected strategies and plans

Many other strategies, reports and plans are mentioned in this document. They are all listed below, including where they can be accessed, for ease of reference.

title	author and brief description	title	author and brief description
East Midlands International Trade Strategy Available from www.export.eastmidlands.net	Trade Partners UK. March 2001. 8 pages. Strategy set to raise the level of exports from the East Midlands.	Encouraging and Supporting Enterprise in Rural Areas – Report to the Small Business Service Available from www.sbs.gov.uk	Middlesex University for SBS. February 2002. 66 pages. Reviews existing literature and policy practice concerned with entrepreneurship and small firms development in rural England.
East Midlands Public Health Strategy: Investment for Health Available from www.eastmidlandsassembly.org.uk	East Midlands Regional Assembly. October 2002. 71 pages. A regional consensus on what are the significant public health issues for the East Midlands.	Environmental Economy of the East Midlands Available from www.emda.org.uk	<i>emda</i> . October 2002. 32 pages. Study about the growth of the environmental economy, and effect that economic legislation has upon the wider economy.
East Midlands - Towards the Top 20 – A Consultation Paper www.emda.org.uk	<i>emda</i> . May 2002. 16 pages. Public consultation document based on 'State of the Region's Economy' study.	Exporting and Business Performance www.tradepartners.gov.uk	Nottingham University for TPUK. December 2001. 43 pages. Analysis of data exploring the relationship between exports and business performance.
Economic Planning and Infrastructure Context (EPIC) Study Available from www.emda.org.uk	DTZ Pieda Consulting, for <i>emda</i> . October 2002. 190 pages. Assesses the economic implications of significant planning, transport and infrastructure proposals in the region and pulls together conclusions from several previous studies (e.g. MMSs, and QUELS).		



title	author and brief description	title	author and brief description
Farming and Food, a Sustainable Future Available at www.cabinet-office.gov.uk/farming	Policy Commission on the Future of Farming and Food. January 2002 (Curry Report). 150 pages. The policy commission was appointed to advise the Government on how to create a sustainable, competitive and driven farming and food sector which contributes to a thriving and sustainable rural economy, advances environmental, economic, health and welfare goals, and is consistent with the government's aims for Common Agricultural Policy reform, enlargement of the EU and increased trade liberalisation.	Integrated Regional Strategy – A Sustainable Development Framework Available from www.eastmidlands-assembly.org.uk	East Midlands Regional Assembly. December 2000. 36 pages. Based on 4 themes - Social, Environmental, Economic and Spatial. A guiding framework for a sustainable region.
Framework for Regional Employment and Skills Action (FRESA) Available from www.emda.org.uk	<i>emda</i> . October 2002. 36 pages. Outlines what the region needs to do to maintain and grow a healthy labour market, and the key challenges to create a demand-led system of employment and skills.	Manufacturing in the Regions : East Midlands Will be available from www.emda.org.uk	<i>emda</i> . Spring 2003 A comprehensive account of manufacturing in the region, the challenges and proposed solutions.
Impacts of Climate Change Available from www.ukcip.org.uk	East Midlands Sustainable Development Round Table. 2000. Highlights the economic, social and environmental challenges facing this region as a result of climate change.	Multi Modal Studies Available from www.go-em.gov.uk/transport/mms.htm	Various authors These studies analyse and make proposals relating to current and future transport and land-use issues, within defined study areas or transport corridors.
		National Coalfield Reclamation Programme Available from www.englishpartnerships.com	English Partnerships. December 1996. Provides information regarding this 10-year Programme, which has a budget of £385m for regenerating 98 former colliery sites.

appendix 4



title	author and brief description	title	author and brief description
National Strategy for Neighbourhood Renewal Available from www.neighbourhood.gov.uk	Government Social Exclusion Unit. January 2001. 127 Pages. Sets out problems facing some of Britain's poorer neighbourhoods, and suggests targets to achieve 'neighbourhood renewal' in these areas.	Regional Housing Statement Available at www.eastmidlandsassembly.org.uk	East Midlands Assembly and partners 2000/01. 90 Pages. Identifies the regional priorities for housing investment, links with other regional planning strategies, and provides the context for local authority housing strategies.
New Business Start-up Policy in the East Midlands (Business Birthrate Strategy) Available from www.emda.org.uk	Trends Business Research for <i>emda</i> . June 2001. 51 pages. Strategic framework for business start-up provision in the East Midlands.	Regional Tourism Strategy Not yet started, will be available on <i>emda</i> website	<i>emda</i> . A regional tourism strategy with the Heart of England Tourist Board, Culture East Midlands, and other interested agencies. This strategy will set the regional priorities for tourism over the next 7 years.
Quality of Employment Land Study (QUELS) Available from www.emrgla.gov.uk	Roger Tym and Partners for <i>emda</i> , EMRGLA, GOEM. July 2002. 130 pages. Assesses the quantity and quality of employment land in the Region, and compares this with market demand, and strategic policy objectives.	Revised Economic Strategy for the East Midlands 2003-2010 Available at www.emda.org.uk	<i>emda</i> . October 2002. 32 Pages. Revised economic strategy Stage 2 consultation paper, based on feedback from first round of consultation.
Regional Environment Strategy Will be available from www.eastmidlandsassembly.org.uk	East Midlands Regional Assembly. To be completed Spring 2003. Details key environmental challenges and issues in the region, along with suggested policies to contribute to a more sustainable region.	RPG8 Regional Planning Guidance (Including Regional Transport Strategy) Available at www.emrgla.gov.uk	EMRGLA/GOEM. January 2002. 114 pages. Spatial strategy for the East Midlands, setting out proposals for the sustainable development of the region's economy, infrastructure, housing, and other land uses. RPG8 forms the framework for County Council and Local Authority development plans.



title	author and brief description
State of Freight Study Available at www.emrgla.gov.uk	Sinclair, Knight, Merz, for <i>emda</i> , EMRGIA, GOEM. Aug 2002. 310 pages. This report brings together existing information to create a comprehensive picture of the role of freight in the region. It highlights key issues, and proposes strategic interventions and opportunities.
State of the Region's Economy Available at www.eastmidlandsobservatory.org.uk	DTZ Pieda Consulting for <i>emda</i> . 245 pages. May 2002. A detailed socio-economic assessment of the region, including regional trends. Commissioned to inform revision of economic strategy.
Step-by-Step Guide to Sustainability Appraisal Available at www.eastmidlandsassembly.org.uk	East Midlands Assembly. May 2000. 39 Pages. Clear and precise method for sustainability appraisal.
Sustainability Appraisal for the Revised Economic Strategy for the East Midlands, Draft for Consultation Will be available from www.emda.org.uk	AEA Technology Environment for <i>emda</i> . November 2002. 50 Pages. Appraisal of the sustainability of the proposed actions and targets, as set out in the revised RES consultation paper.

title	author and brief description
Three Cities Spatial Study To start in 2003	<i>emda</i> /EMRGIA. Will examine the inter relationships between Derby, Leicester and Nottingham, and assess their roles, competition between the cities, and the scope for exploiting complementary relationships.
Time for Culture – East Midlands Cultural Strategy	Culture East Midlands March 2001. 44 pages. Cultural strategy for the East Midlands, including sport, arts, museums, media, libraries and the historic environment.
Tourism and Culture Workforce Development Plan Will be available at www.emda.org.uk	'Impact' for <i>emda</i> . July 2002. 82 pages. Identifies the role that skills and training have in the tourism sector. Written with collaboration from Learning and Skills Councils and other key stakeholders. It contains a series of recommendations for the sector and should be referred to when planning any skills activity linked to tourism.
Urban Action Plan Available at www.emda.org.uk	<i>emda</i> . October 1999. 41 pages. <i>emda</i> 's general approach to the regions towns and cities, covering community engagement, physical regeneration, the urban economy and cross-cutting themes.



how the regional economic strategy will **support sustainable communities**

How the Regional Economic Strategy will **Support Sustainable Communities**

The East Midlands will become a Top 20 European region by 2010. It will be a Competitive Region with Sustainable Communities. These are the high-level ambitions of the revised regional economic strategy, *Destination 2010*.

The purpose of this document is to provide a summary of what needs to happen to bring about 'Sustainable Communities', defined in the strategy as having the following characteristics –

- Social exclusion is tackled through Economic Inclusion, i.e. ensuring that all individuals and communities of interest have the opportunity to participate in the economy and to share the benefits of growth.

- Disadvantaged communities become more enterprising as a result of increased economic activity within them, particularly from self-employment and social enterprises.
- Cleaner, more efficient use of resources and therefore improving economic productivity.
- A high-quality environment – adverse impact on the environment from economic activity kept to the minimum, for example by building on previously-used land where possible.
- The Sustainable Communities ambition will be achieved primarily through two strands of the economic strategy - Enterprising Communities and Economic Growth and the Environment.

enterprising communities

The key here is to stimulate more economic activity in the region's disadvantaged communities – providing more opportunities for people to find jobs and new skills and addressing issues such as child care provision, poor business infrastructure and access to public services.

The context for community regeneration and economic inclusion is the UK Government policy set out in the National Strategy for Neighbourhood Renewal (NSNR). Local Strategic Partnerships (LSPs), initially in the Neighbourhood Renewal designated areas, have been established as the principal means of targeting public services on those areas that the local community feel need specific attention.

The major issues to tackle are -

- A higher than average proportion of adults with poor literacy and numeracy skills in some districts.
- Skills and job gaps in the former coalfields.
- Above average youth unemployment.
- A higher than average proportion of people earning less than £250 per week.
- Disadvantaged communities are typified by a lack of enterprise.
- Lack of opportunity for individuals and community-based organisations to participate in



the local economy, and to generate wealth which is retained within the community.

- Diminishing provision of local shops and services.
- Lack of affordable childcare provision.
- Disproportionately disadvantaged minority ethnic communities who are more likely to live in deprived areas.

The role of the voluntary sector is particularly important within disadvantaged communities, as they are often able to meet the needs and offer services to the hardest to reach.

The public sector makes a significant contribution as both an employer and a purchaser of services - often taking spending power into disadvantaged communities. The provision of public services in disadvantaged areas also offers opportunities to raise the level of local economic activity through the delivery of some services by social and community enterprises.

Examples of activities to be pursued -

Support **Neighbourhood Renewal investment** in the East Midlands to tackle social and economic problems by developing and supporting a range of enterprise solutions, for example incubator unit space for micro and social enterprises.

Increase the level of economic activity within disadvantaged communities by piloting a structured **Enterprising Communities toolkit** that will target employment opportunities and business start ups, linked to the provision of affordable childcare.

Support small businesses in deprived areas, particularly those subject to high levels of crime, through funding to provide security measures.

Encourage micro and social enterprises to start up and survive through the delivery of tailored business support services and the provision of financial instruments.

economic growth and the environment

The main environmental issues facing the region's economy are:

- Reducing the contribution to, and adapting to the effects of, climate change.
- Inefficient and often wasteful use of our natural resources.
- Lack of awareness and engagement by the public sector, the voluntary and business communities, especially small and medium sized business.
- The need for an improvement in the quality of the region's natural and built environment.
- Encouraging the growth of the environmental economy.

Apart from the need to use our natural resources much more effectively, the environmental economy offers great potential for growth in the region both



of itself, and as support for overall economic development. Examples of growth potential are –

- Regenerating land-based Industries including actions to promote environmentally beneficial farming; development of local, regional and organic commodity processing and consumption; and environmentally beneficial forestry.
- Capitalising on the high quality environment including actions to develop tourism.

Examples of activities to be pursued -

Reduce emissions of greenhouse gases by business through more improved resource and energy efficiency programmes, in partnership with organisations such as the Carbon Trust.

Develop a more resource-efficient business culture through a campaign aimed at SMEs to demonstrate and help realise the business benefits of using fewer resources and minimising waste.

Increase electricity generated from renewable sources through technology and knowledge transfer to the power and energy generation clusters.

Expand the environmental economy cluster – increasing the collaborative working between businesses in the environmental economy, the business support agencies and the universities.

Raise awareness of the environmental benefits of using ICT through a campaign focusing on reducing (business) mileage and the consumption of natural resources.

Recognise and promote projects that **support environmental good practice in the tourism industry**.

other **strategic priorities**

Many of the other strands of the economic strategy involve challenges and activities that affect Sustainable Communities.

These include those related to physical development and the development of **brownfield sites**. Two different examples in this region are the continued redevelopment of the coalfield areas and, at the other end of the region, the effect of the findings of the Milton Keynes South Midlands Study in Northamptonshire. Housing provision is relevant to both, where across the region demand and supply are mismatched.

Integrated transport improvements can be achieved through implementing the findings of the Government's programme of multi modal and road-based studies. Additional light and heavy rail provision in the region is crucial along with road-based public transport. Rural communities face particular issues related to access to transport services.



The economic potential of **rural areas** should be explored, while retaining the balance of interests between growth, the needs of communities and the environment. Given that the quality of the rural environment is often considered to be the prize, any economic development must take care not to degrade the natural and built assets that exist.

A new vision for **urban areas** is emerging that moves away from the fragmented nature of area-based initiatives and short-term competitive funding programmes, which together have diffused the impact on regeneration activity. Attracting businesses and residential communities into the urban core is dependent upon creating an attractive quality of life, making the most of the cities' distinctive assets, raising aspirations on design and environmental factors and building an innovative and stimulating urban environment.

There is a careful balance between the growth of the **tourism industry** and the impact of this growth on both the environment and local communities, particularly in the rural areas.

The main focus on growth should be on increasing visitor spending, rather than visitor numbers, particularly placing emphasis on turning day visits into overnight stays.

Culture and sport are important factors in the attractiveness of the region. Apart from the physical locations - theatres, museums etc - environmental design of buildings and spaces, is important both economically and to enhance where individuals work and play.

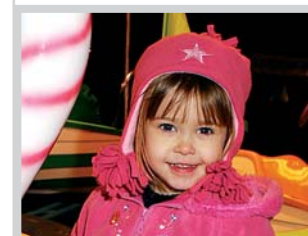
These examples demonstrate that, whilst the **Sustainable Communities** ambition will be achieved primarily through the two strands of Enterprising Communities and Economic Growth and the Environment, they do not act in isolation of the other strands of the Regional Economic Strategy. All twelve strands of the Regional Economic Strategy have the ability to impact upon how effectively the **Sustainable Communities** ambition is achieved in the East Midlands.



glossary

AOC	Association of Colleges
AWM	Advantage West Midlands
CA	Countryside Agency
CBI	Confederation of British Industry
DEFRA	Department for Environment, Food and Rural Affairs
DTI	Department of Trade & Industry
EEF	Engineering Employers Federation
EMA	East Midlands Airport
<i>emda</i>	East Midlands Development Agency
EMIN	East Midlands Incubation Network
EMIT	East Midlands Information Technology
EMRLGA	East Midlands Regional Local Government Association
EMUA	East Midlands Universities Association
EU	European Union
Eurostat	Statistical Office for the European Union
FDI	Foreign Direct Investment
FE	Further Education
FRESA	Framework for Regional Employment and Skills Action

GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
GOEM	Government Office for the East Midlands
GVA	Gross Value Added
HE	Higher Education
HMT	Her Majesty's Treasury
ICT	Information and Communications Technologies
ILO	International Labour Organisation
IMD	Index of Multiple Deprivation
IRS	Integrated Regional Strategy
IUK	Invest UK
JC+	JobCentre Plus
JSA	Job Seekers Allowance
LA's	Local Authorities
LEA	Local Education Authority
LLSC	Local Learning and Skills Council
LSP	Local Strategic Partnership
MEEM	Minority Enterprise East Midlands



MTF	Market Towns Forum
NHS	National Health Service
NSNR	National Strategy for Neighbourhood Renewal
NVQ	National Vocational Qualification (<i>See footnote *</i>)
ONS	Office for National Statistics
PDL	Previously Developed Land
QUELS	Quality of Employment Land Supply
R&D	Research and Development
RES	Regional Economic Strategy
RHS	Regional Housing Strategy
RITF	Regional International Trade Forum
RPG	Regional Planning Guidance
RSA	Regional Selective Assistance
RTB	Regional Tourist Board
SBS	Small Business Service
SEEM	Social Enterprise East Midlands
SMEs	Small and medium size enterprises
SRA	Strategic Rail Authority

SSP	Sub-regional Strategic Partnership
STEP	Shell Technology Enterprise Programme
TPUK	Trade Partners UK
TUC	Trades Union Congress
Ufi	University for Industry
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax

***Footnote:**

<u>NVQ</u>	<u>Equivalent qualifications</u>	<u>Vocational equivalent</u>
NVQ level 1	GCSE below grade C; 4 or less GCSEs (grades A-C) CSE below grade 1; 1 AS-level	GNVQ foundation; City and Guilds
NVQ level 2	5 or more GCSEs (grades A-C) 2 or 3 AS-levels; 1 A-level	GNVQ intermediate; RSA diploma; City and Guilds craft
NVQ level 3	4 or more AS-levels; 2 or more A-levels	GNVQ advanced; RSA advanced diploma; City and Guilds advanced craft; ONC, OND, BTEC national
NVQ level 4	First degree; Diploma in higher education; Teaching; other degree	RSA higher national diploma; HNC, HND, BTEC higher; Nursing
NVQ level 5	Higher degree	

Source: NSTF (2000a).



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