

# WEST MIDLANDS MAYORAL MANIFESTO

**A Manifesto Delivering  
Sustainable Growth**



# Foreword

In May, voters across England will elect 10 metro mayors, the most to date. By May 3 approximately 26 million people, or 44 per cent of the English population will be presided over by a mayor. And in May, another three mayors will be elected for the first time, in the North East<sup>1</sup>, York and North Yorkshire, and the East Midlands. This combined group of Metro Mayors (the M12) will then collectively represent more than 50 per cent of England's GDP.

With a strong personal mandate, mayors provide a powerful and influential voice, bringing a strategic regional view to crucial policy decisions on areas such as transport, housing, education, strategic planning, and infrastructure. All of which are crucial to business. Across England, we see mayors continue to play a vital role in ensuring a region is an attractive place for inward investment and to do business, both domestically and internationally.

The CBI has been a long-standing supporter of devolution and of directly elected mayors, we have seen how they can be strong advocates for their region with the convening power to make things happen. They act as ambassadors for their regions both nationally and internationally, and importantly, provide the governance and accountability Whitehall needs in order to devolve powers and funding.

## Regional priorities for devolution

Since the inception of the West Midlands Combined Authority (WMCA) in 2016, the region has been progressing on a devolution journey. The latest development on that journey was the announcement in the spring of 2023 that the West Midlands would receive a trailblazer devolution deal<sup>2</sup>, something the CBI called for in our budget submission<sup>3</sup>. We welcome the steps to hand more powers, funding and autonomy from Whitehall to the West Midlands mayor.

The CBI is a strong advocate for devolution and will continue to work with the Mayor and WMCA colleagues as the devolution journey continues. Businesses in the West Midlands value having a mayor that can promote and represent the region on the economic stage, as well as listen and work closely with them on key issues such as transport, housing and skills. We are also engaging in conversations around the future possibility of fiscal devolution to the region, what form that would take and how this would impact business.

Following the success of the Commonwealth Games in 2022, there was a feeling that Birmingham and the wider West Midlands had a spring in its step. But with the recent news surrounding the bankruptcy of the City Council, sluggish growth and tough economic headwinds, the next Mayor needs to deliver the right economic conditions for businesses to

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<sup>1</sup> The North East Mayoral Combined Authority will replace the non-mayoral North East Combined Authority and the North of Tyne Combined Authority, whose incumbent mayor is Jamie Driscoll

<sup>2</sup> [West Midlands Combined Authority: "Trailblazer" deeper devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/west-midlands-combined-authority-trailblazer-deeper-devolution-deal)

<sup>3</sup> [Spring Budget 2023: what the CBI is asking the government for and why | CBI](https://www.cbi.co.uk/articles/spring-budget-2023-what-the-cbi-is-asking-the-government-for-and-why/2023/02)

thrive and get the region back on track. The CBI has identified five key priorities for the next Mayor:

1. Drive regional investment
2. Future proof the regional labour market
3. Regional climate commitments to help the UK deliver net zero
4. Drive high-growth technology and innovation
5. Deliver resilient public services

**Nikki Paterson, Regional Director – CBI Midlands**

[Nikki.Paterson@cbi.org.uk](mailto:Nikki.Paterson@cbi.org.uk)



# Drive regional investment

The West Midlands has had a mixed economic performance in recent years. From 2010 to 2019, the West Midlands was the fastest growing regional economy outside of London<sup>4</sup>. However, following the external economic shocks of Brexit, the Covid pandemic and the war in Ukraine, the West Midlands is projected to be the only region with a lower total output at the end of 2024 compared to the end of 2019<sup>5</sup>. The region has been hit particularly hard by these shocks due to sectoral breakdown, and the disproportionate share of businesses in sectors worst affected, such as manufacturing<sup>6</sup>.

Despite that, the West Midlands has enjoyed strong levels of foreign direct investment in recent years, with the region having more FDI projects than anywhere outside London last year<sup>7</sup>. Regional assets such as the incoming HS2 line and a young and diverse population make the region an attractive place for investment. To drive further regional investment, we recommend the next Mayor:

- Seek a closer relationship with the 12 English metro mayors, to amplify the collective voice of English regions with international investors
- Showcase the region's strategic advantage in high-growth potential clusters, such as the gaming sector in Leamington, as outlined in the *Plan for Growth*
- Prioritise boosting exports, with a fully integrated export strategy highlighting trade benefits and providing targeted business support. This includes aiding existing exporters in navigating EU trade relationships and diversifying into new global markets as the UK forms fresh trading agreements

# Future proof the regional labour market to drive inclusive growth

Businesses across the West Midlands, like many others elsewhere in the country, have experienced a challenging time in recent years with recruiting in a tough labour market. To ensure our businesses have access to the best talent, we need to ensure that the skills we equip our young people with align with businesses requirements.

The West Midlands has strong regional foundations to ensure a resilient labour market. Birmingham is the youngest city in Europe<sup>8</sup> and the region has several leading higher education institutions. However, despite that the West Midlands still faces a difficult skills

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<sup>4</sup> [Plan for Growth \(wmca.org.uk\)](https://www.wmca.org.uk)

<sup>5</sup> [NIESR UK Economic Outlook \(Autumn 2023\)](#)

<sup>6</sup> [ME\\_StateoftheRegion\\_2023.pdf \(midlandsengine.org\)](#)

<sup>7</sup> [Department for Business and Trade Inward Investment Results 2022-23 \(publishing.service.gov.uk\)](#)

<sup>8</sup> [The Birmingham Economic Review 2018: People – Population and Employment – City-REDI Blog \(bham.ac.uk\)](#)

landscape. The West Midlands has the highest regional average claimant count at 4.8% - and Birmingham has the highest claimant count of any city in the U.K. at 6.9%<sup>9</sup>. As well as unemployment, the region also lags the national average for productivity<sup>10</sup>, further reducing total economic output.

To address this, the mayor must prioritise job creation and skills development by:

- Collaborating with businesses, further education colleagues, higher education, and training providers to best use funding from devolved adult skills budgets effectively.
- To reduce economic inactivity, WMCA should prioritise skills funding at targeting those out of work – in order to fill vacancies and reduce the region’s high claimant count
- The CBI is supportive of the Local Skills Improvement Plans (LSIP) process and urges the mayor to integrate the findings from the West Midlands LSIP<sup>11</sup> into practice, using the devolved educational powers and funding available.

## Regional climate commitments to help the UK deliver net zero

The net zero transition presents an economic opportunity like no other for the region to become a leader in the green economy and achieve sustainable growth. We welcome the 2041 target the WMCA has set to be net zero and the progress that has been made to ensure the region is on target to meet this goal.

To help drive decarbonisation, the mayor should focus on reducing transport emissions and improving public transport infrastructure. Transport emissions are, alongside domestic household emissions, the biggest contributor to regional carbon emissions<sup>12</sup>. The mayor should continue to seek improvements to public transport, using the funds from the City Region Sustainable Transport Settlement. In addition, **the mayor should use their national profile to push for greater funding for inter-city urban transport schemes**, as called for in *The Second National Infrastructure Assessment*<sup>13</sup>, to increase public transport capacity.

As for private car use, the transition to EVs is of great importance to the West Midlands, with the strength and economic importance of the automotive sector, 30% of all automotive employment in Great Britain is located in the West Midlands<sup>14</sup>. Ensuring the region is at the forefront of this transition is vital for future prosperity. Therefore, the mayor **should champion and meet with potential investors to ensure a Gigafactory is built at the Coventry Airport site**.

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<sup>9</sup> [Cities-Outlook-2024.pdf \(centreforcities.org\)](#)

<sup>10</sup> [Cities-Outlook-2024.pdf \(centreforcities.org\)](#) p.38

<sup>11</sup> [west-midlands-and-warwickshire-ls-ip-final-030823-amends-highlighted.pdf \(cw-chamber.co.uk\)](#)

<sup>12</sup> [West Midlands State of the Region 2023-24 \(wmca.org.uk\)](#)

<sup>13</sup> [Second National Infrastructure Assessment - NIC](#)

<sup>14</sup> [Advanced Manufacturing | Invest West Midlands](#)

# Drive high-growth technology and innovation

There is vast potential in the West Midlands to boost productivity through technology adoption and innovation. With a strong presence in many of the high-growth potential sectors such as life sciences, creative industries, and advanced manufacturing – for example, the West Midlands is home to 5,400 medical technology companies, the largest concentration anywhere in the UK<sup>15</sup>. Moreover, world-class higher education institutions and a region-specific action plan with Innovate UK, unveiled in the summer of last year give the region strong foundations in this area.

However, despite our regional assets, the West Midlands suffers an 11% productivity gap when compared with the Greater Southeast<sup>16</sup>. Furthermore, research undertaken by the Resolution Foundation found that the Birmingham Urban Area<sup>17</sup> is 37% less productive than London<sup>18</sup>, closing this gap is pivotal to ensure greater economic prosperity.

To ensure the regional economy is competitive for the transitions we are seeing in the economy, WMCA should pursue an innovation strategy focussing on productivity gains through embracing technology and innovation. This is especially important in sectors where there is greatest opportunity for productivity gains, such as manufacturing. The Manufacturing Technology Centre in Coventry is a great example of this, helping manufacturing businesses, often SMEs, embrace the cutting-edge technologies of tomorrow. The West Midlands Innovation strategy should focus on harnessing the region's sectoral strength in manufacturing and how we can embrace the technologies of the future.

# Deliver resilient public services and 'fit for purpose' infrastructure

Resilient infrastructure and public services are key to providing the platform on which businesses can operate and grow. At the 2023 Q4 West Midlands Council, 80% of West Midlands councillors ranked infrastructure as being 'unattractive' for attracting investment.

To ensure the success of cities like Birmingham, we need to ensure we have the right infrastructure in place for highly skilled workers to reach the city centre and encourage knowledge-intensive businesses to locate here. At present, 75% of commutes within the Birmingham Urban Area are done by private car, and only half of highly skilled workers can reach the central employment district within a 45-minute commute<sup>19</sup>. This not only limits the

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<sup>15</sup> [Innovate-UK West-Midlands-Action-Plan\\_PW\\_AW2-Digital.pdf \(ktn-uk.org\)](#), p.18

<sup>16</sup> [Innovate-UK West-Midlands-Action-Plan\\_PW\\_AW2-Digital.pdf \(ktn-uk.org\)](#)

<sup>17</sup> The Resolution Foundation characterised the Birmingham Urban Area as comprising of the urban conurbations of Birmingham and Wolverhampton

<sup>18</sup> [A-tale-of-two-cities-part-1-Birmingham.pdf \(resolutionfoundation.org\)](#)

<sup>19</sup> [A-tale-of-two-cities-part-1-Birmingham.pdf \(resolutionfoundation.org\)](#)

region's progress on decarbonisation, but limits talent pools for firms and prevents higher earnings potential for West Midlands residents – as research by Centre for Cities and the Midlands Engine shows higher earnings potential with more high-skilled jobs due to agglomeration effects<sup>20</sup>.

As well as transport, good regional housing stock is essential in unlocking social and economic benefits. As mentioned above, domestic household emissions are one of the largest contributors to regional carbon emissions. Investment in improving housing quality can not only help bring down emissions, but also improves outcomes for residents through reducing fuel poverty. It also encourages highly skilled workers to stay and live in the region, supporting businesses with skills challenges and encouraging inward investment.

To solve this, we need to see investment in the right transport infrastructure to ensure more capacity in bringing people into Birmingham city centre. Therefore, the mayor should:

- Champion the Midlands Rail Hub project with Government
- Continue to make progress in areas such as smart ticketing to ensure a London-style transport system and ease of travelling for commuters.
- Work with the new mayoral counterpart in the East Midlands to seek improvements to East-West connectivity.
- Establish a Combined Authority advisory board, to identify opportunities to support key pan-regional infrastructure projects

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<sup>20</sup> [Midlands-Engine-May-2023.pdf](#)

# Conclusion

On 2<sup>nd</sup> May, the people of the West Midlands will head to the polls to elect the next Mayor of the West Midlands Combined Authority.

The CBI and its members are committed to collaborating with the next Mayor to ensure that the West Midlands thrives as a region where people live, work, and conduct business. Despite numerous challenges such as the rising cost of living, inflation, and geopolitical instability, both the region and the nation face, the decisions made by the next mayor will significantly impact employees, employers, and the entire region.

The CBI believes that when politicians, public, and private sectors collaborate, the West Midlands can fully unlock its potential. Businesses are poised to contribute by partnering with the new mayor to advance the priorities outlined in this manifesto.

In partnership with other business organisations, we will be supporting the Business Commission West Midlands launch on 19<sup>th</sup> March, with a mayoral husting to question the mayoral candidates. For more information, please contact your Account Manager.



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To share your views on this topic or ask us a question, contact:

**Josh Male**

Senior Policy Adviser, UK Competitiveness  
josh.male@cbi.org.uk

**Nikki Paterson**

Regional Director, Midlands  
nikki.paterson@cbi.org.uk