

ICAEW



# A manifesto for the Midlands

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## Priorities for a new Mayor

The Mayor of the West Midlands' priority must be to boost the economy and, therefore, the prosperity and opportunities of its residents. The West Midlands has a great many strengths, from its manufacturing base, its vibrant cultural and sports industries, its universities and its innovative high-tech sector.

However the region needs to retain more of the graduates educated at its range of outstanding universities. This would help improve the West Midlands' contribution of only 7.1 per cent of the UK's GVA, surpassed not only by London and the South East but by East Anglia, the North West, South West and Scotland.

The mayoral election will see a new advocate and champion for the West Midlands and a new opportunity to re-define the region's role not only in the UK, but in the world. Our recommendations are steps in what we believe should be a long-term plan focusing not on the next business quarter, but on the next quarter century.

This manifesto identifies the priorities for the first elected Mayor of the West Midlands, drawing on the insights of 148,000 Chartered Accountants. Over 8,000 ICAEW members lead and advise organisations of all sizes and sectors across the region. They are business and finance leaders working in the public interest for the long-term benefit of the UK economy.

## The beating heart of England

The creation of an elected Mayor creates an ideal opportunity to convince the people of the West Midlands – both the voters and those on the disenfranchised fringes – that there is a clear vision and purpose for the whole area.

We believe the Mayor should work to unite the region, market its strengths, exploit its central location and Birmingham's international reputation and develop innovative solutions for its housing, transport and regeneration challenges.

The Mayor's success will depend on the creation of a cohesive and credible sense of common purpose for the whole area. The Mayor must unite the West Midlands.

Birmingham is a truly diverse and multi-cultural city and the Mayor should exploit this to market the West Midlands to the rest of Britain and to the wider world.

The Mayor must adapt the Government's industrial strategy to meet the needs of the West Midlands and promote the region's strengths (our central location at the heart of England and our strong transport links, our relative cheapness compared to South East, our natural and cultural environment, the quality of our universities) to entice more firms, especially head offices and public sector, to relocate to the region.

**Only by doing so can the Mayor halt the 'brain drain' which sees too many of the region's brightest and best leave the area for more rewarding careers elsewhere.**

## Making it

Manufacturing around the world is going through a transformation and we have major manufacturing businesses based in our region who are at the very forefront of such transformations.

The Mayor should not only continue to encourage these businesses with incentives and apprenticeships but seek to expand and support new and innovative businesses, many of which support our international manufacturers, with appropriate funding, advice and tax incentives. In particular we believe the region would benefit not just from existing capital allowances but from a scheme covering the research and development of new export markets through the introduction of export vouchers or similar incentives.

The Mayor should become a vocal champion defending the interests of the manufacturing sector in Britain's negotiations over its withdrawal from the European Union.

**The Mayor must become an international figure promoting exports from the region and attracting inward investment. To this end, the Mayor must coordinate the various trade missions carried out by bodies across the region to ensure they speak with one voice.**



## Only connect

The region's excellent communications links are a strength which must be further developed. HS2 will bring its own rewards – though the Mayor should campaign for it to be re-routed via Heathrow Airport and for a direct link to the Channel Tunnel rail link, made all the more important following the Brexit vote.

Further action is needed to increase rail capacity within the region and the Mayor should ensure the private M6 Northern Relief Toll Road is properly exploited. If this means bringing it into public ownership, this could be a valuable long-term investment in improving the region's productivity.

Road transport remains vital to the region. The Mayor should invest in further improvements to the Burnt Tree junction in Dudley and draw up a plan to improve links throughout the Black Country, including a revival of the plan for a Western Orbital Route.

The Mayor must seek to improve housing provision in the region. This need not result in widespread exploitation of Green Belt land. Instead, we would advocate modest expenditure in turning unwanted, low-grade office space into residential accommodation and by 'down-sizing' some of the more run-down town centres by converting empty shops into homes and creating new urban villages.

**The Mayor must ensure that infrastructure development – roads, parking, schools, medical care – expands in line with job creation.**

## Take advice

The West Midlands has a successful professional services sector. The Big Four firms of chartered accountants are supported by many other skilled and successful ICAEW members; the major law firms have practices in the region; banks like HSBC and Deutschebank have chosen to locate here. The sector adds more than £3.3 billion to the regional economy and employs more than 130,000 people.

At the same time, the West Midlands has more new start-ups and active businesses than anywhere outside London yet many of these companies lack the advice and finance to expand and take advantage of opportunities for growth.

The Mayor must develop a joined-up strategy to provide these businesses with the best advice, exploiting the wealth of private-sector talent available in the region.

**Businesses need targeted advice to ensure they thrive and encourage entrepreneurs to develop their ideas here. Given the wealth of professional advice on the doorstep, the Mayor must ensure there is greater collaboration between the professional sector and local authorities, LEPs and Growth Hubs.**





## Follow the money

Major infrastructure projects need to be financed. While the Government's devolution agenda does carry with it some freedom for elected Mayors, an increase in business rates would be counter-productive, deterring existing and potential investors while competition between cities for limited State funds is a highly unreliable method of securing finance.

In his Autumn Statement the Chancellor, Philip Hammond, proposed to give new borrowing powers to elected Mayors. These will need to be exploited with care to ensure we are investing in future prosperity rather than saddling future generations with an added burden of debt.

**As far as possible, the Mayor should seek innovative, self-funding methods of raising finance for capital infrastructure projects. The potential for a new era of Municipal Bonds is one option.**



ICAEW is a world leading professional membership organisation that promotes, develops and supports over 147,000 chartered accountants worldwide. We provide qualifications and professional development, share our knowledge, insight and technical expertise, and protect the quality and integrity of the accountancy and finance profession.

As leaders in accountancy, finance and business our members have the knowledge, skills and commitment to maintain the highest professional standards and integrity. Together we contribute to the success of individuals, organisations, communities and economies around the world.

**Because of us, people can do business with confidence.**

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