

The Rt. Hon Rishi Sunak, MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

CC: The Rt. Hon Boris Johnson, MP, Prime Minister
CC: Members of the West Midlands APPG, Members of the Black Country APPG

2 July 2020

Dear Chancellor,

We write as a group of **610** business owners and business leaders in the West Midlands region in support of the West Midlands Combined Authority's (WMCA) proposals submitted to you entitled 'Recharge the West Midlands'.

Our region generates £105bn of GVA and represents 5.5% of the UK's economic output. We have seen the COVID-19 emergency and lockdown measures substantially impact many of us in terms of how we operate, who we can service, our order books and our workforce. Whilst the financial support provided by the Government to date during the emergency has helped a number of us to merely survive; we now need to look to the future in order to combat the economic challenges which lie ahead and help us as a business community to increase our resilience and ability to rebound quickly.

Prior to the current crisis, as businesses, we contributed to what was the fastest-growing region outside of the Capital with our economic outputs increasing by over a quarter in the past five years. We have always been an outward and forward-looking region and our businesses representative of the West Midlands communities which are one of the most diverse and youngest populations in the country.

Without Government support for this proposal, we are gravely concerned that many of these communities now face the daunting prospect of unemployment – evidenced by the share of youth claimants doubling in May (compared to the start of the year). Many of the sectors we operate in are greatly exposed right now with key areas such as automotive, manufacturing, leisure and tourism being particularly vulnerable, and our local economy disproportionately impacted by the current crisis. There are some amazing projects on the horizon which, over the next decade will shine a spotlight on this region including the promise of HS2, Coventry City of Culture in 2021 followed by the Commonwealth Games in 2022. As businesses though, we fear that these opportunities will not be maximised as we struggle to keep our doors open, plants operating, or services delivered during what is expected to be one of the most severe downturns in economic prospects we have ever experienced.

Safeguarding jobs

The proposal sets out key immediate asks of the Government which total £3.2bn of investment over the next three years and demonstrates how we as a region can and should be a substantial part of the national economic recovery. The structured proposal includes a number of projects which will be delivered over a six to nine-month period within this financial year. These will address the short-term risks of COVID-19 by safeguarding jobs whilst taking into account the longer-term improvements in our region's ability to innovate whilst remaining competitive and resilient.

Investment in innovation

The West Midlands punches above its weight on private sector led innovation and we attract £400 per head of private sector R&D investment which is higher than most other UK regions. As a region though, we receive less than £100 per head of public sector investment which is one of the lowest of any UK region. Government support for this proposal would help to create or safeguard over 135,000 jobs, support over 150,000 young people and workers, build 35,000 new homes and would help the Government to deliver its priorities around 'levelling-up.'

Cross region support

Working across our three Local Enterprise Partnership Areas, the plan will drive benefits for businesses with clear actions and investments in all of our region's three cities of Birmingham, Coventry and Wolverhampton and our boroughs of Dudley, Sandwell, Solihull and Walsall. The focused proposal will support individuals who are particularly badly affected by the economic effects of COVID-19 by helping them to retrain and find jobs.

A distinct region

On Wednesday, the Prime Minister chose the region to deliver his landmark 'Build, Build, Build' speech. During his speech, he outlined why he chose the Black Country town of Dudley to announce his 'New Deal'. Concluding his Wednesday speech, the Prime Minister said, 'the whole of the West Midlands is now a global centre of battery technology and batteries for electric vehicles – and that this is the vision of Mayor Andy Street, and we will back that vision.'

To echo the Prime Minister's own words, our strengths are indeed distinctive and world-leading including highly respected automotive, innovation, green technology and life sciences sectors. These set us apart from other regions and are renowned for being globally competitive. In order to continue this momentum, we ask the Government to support this proposal and endorse the Prime Minister's own words from earlier in the week where he signalled his confidence in and backing of our regional economy.

Recharge the economy

The vision of the proposal isn't just a 'plan for now' or even the next three to five years, the investment will help to recharge this key UK economy for long-term growth with particular

actions for creating green manufacturing jobs and maximising other areas of job creation, investment into healthcare innovation, boosting SME productivity and innovation, better digital and transport infrastructure, the regeneration of brownfield land and enabling us as a region to get back to work.

As Chancellor, you have the power to provide investment that will drive the West Midland's region and by endorsing this WMCA proposal you will be sending a powerful signal to us as businesses and the people of the region that this is a region which matters and is a key partner to the UK economic recovery.

May we take this opportunity to thank you for your time and we look forward to hearing from you.

Yours Sincerely,

West Midlands Business Owners and Leaders
(Full list of signatories included)

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