

TheCityUK

# Enabling growth across the East Midlands

a manifesto for the new mayor



# Foreword

On 2 May, voters in the East Midlands will head to the polls to choose a new metro mayor. This election presents an opportunity for the first-ever East Midlands' mayor to focus on ensuring the financial and related professional services industry can play an even more significant role in creating jobs and driving growth and prosperity across the region. Currently, the industry employs around 112,000 people and contributes over £6.2 billion (5.3% of the region's economic output) to the East Midlands' economy.

Jobs in the financial and insurance sectors across the region pay, on average, over £4,500 more than the regional average. It also plays an important role in enabling the transition to net zero and makes a real difference in people's lives, helping them save, buy homes, invest in businesses, and manage risk.

The East Midlands has a strong history in banking, accounting, and management consultancy services. Recent years have also seen growth in areas like insolvency law, public-private partnerships, and corporate finance. This manifesto, building on TheCityUK's annual 'Enabling growth across the UK 2023' report, outlines practical and affordable ways for the East Midlands' first mayor to foster economic growth and tap into the full potential of our industry.

**Sandra Wallace CBE**

TheCityUK Chair in the Midlands

The East Midlands has a long-standing presence in accounting and management consultancy services, activities as well as a continued banking sector presence.

Over the last decade, the East Midlands' economy has become more diverse, increasing its service sector activity. Businesses based in the region have developed the capability to serve not only the local and regional market but also national and international clients and customers.

Approximately 112,000 people in the East Midlands work in financial and related professional services. This equates to 5.1% of its workforce. The GVA of the industry totals £6.2bn, equivalent to 5.3% of regional economic output.

The industry is widely dispersed throughout the region. Key cities and towns include Nottingham with 13,055 in employment in the industry, followed by Northampton (12,950), Leicester (11,475), and Derby (7,220). Together these four cities and towns account for nearly four in 10 of all financial and related professional services employment in the East Midlands.

The industry in Northampton accounts for around 13.7% of the city GVA, while in Nottingham, Leicester, and Derby it contributes 9.7%, 7.2%, and 4.4%, respectively. The region has a historic and continued banking sector presence: 40% of the region's total financial and related professional services GVA came from banking. More recently there has been diversification in activity, including growth in insolvency law, public private partnerships and corporate finance.

Financial and related professional services accounts for:

**5.3%**

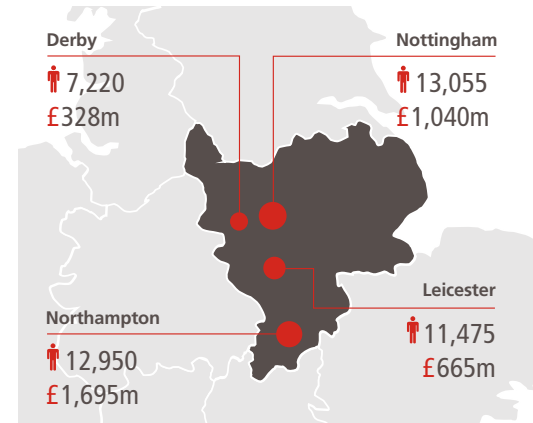
of regional GVA

**5.1%**

of regional employment

East Midlands employment and GVA, 2021

Financial and related professional services employment



👤 = Employment, 2021

£ = Gross Value Added, 2021

**EAST MIDLANDS SELECTED TOWNS' AND CITIES' FINANCIAL AND RELATED PROFESSIONAL SERVICES EMPLOYMENT**

City / Town	Financial Services					Related Professional Services				Total	% of City/Town Employment
	Banking	Insurance	Fund Management	Other Financial Services	Total	Accountancy	Management Consultancy	Legal Services	Total		
Nottingham	800	1,700	200	2,605	5,305	2,250	2,000	3,500	7,750	13,055	6.4
Northampton	6,000	1,520	45	1,185	8,750	2,250	1,250	700	4,200	12,950	8.9
Leicester	1,250	3,200	75	950	5,475	2,500	2,250	1,250	6,000	11,475	5.9
Derby	350	350	20	700	1,420	800	3,500	1,500	5,800	7,220	5.0
<b>Regional Total</b>	<b>15,000</b>	<b>14,000</b>	<b>1,000</b>	<b>11,000</b>	<b>41,000</b>	<b>27,000</b>	<b>30,000</b>	<b>14,000</b>	<b>71,000</b>	<b>112,000</b>	<b>5.1</b>

\* Denotes regional and national total less than 1,000 as Nomis rounds regional and national totals to nearest 1,000. Major towns and cities with over 5,000 in employment in financial and related professional services are listed.

Nottingham is already an established location for many internationally recognised businesses. Derby also has strength in a number of key areas, in particular management consultancy. One of the region's key advantages is its competitive operational costs compared to other regional financial centres.

Nottingham's two universities are both recognised as leading institutions linked with the financial and business services sector. Both are home to many research and career development centres in areas including banking, accountancy and law.

The ability to recruit skilled staff is key to any business, and the East Midlands is able to provide a large, flexible labour pool to match most recruitment needs. Investment in skills has been a priority, and there have been significant improvements in the region's skills base during the past decade.

**EAST MIDLANDS SELECTED TOWNS' AND CITIES' FINANCIAL AND RELATED PROFESSIONAL SERVICES GVA (£ MILLION UNLESS STATED)**

City / Town	Financial Services					Related Professional Services				Total	% of City/Town GVA
	Banking	Insurance	Fund Management	Other Financial Services	Total	Accountancy	Management Consultancy	Legal Services	Total		
Northampton	1,188	120	5	98	1,411	162	38	84	284	1,695	13.7
Nottingham	98	322	14	261	695	214	20	111	345	1,040	9.7
Leicester	90	204	9	166	468	85	68	44	197	665	7.2
Derby	54	81	3	66	205	72	13	38	123	328	4.4
<b>Regional Total</b>	<b>2,450</b>	<b>900</b>	<b>39</b>	<b>731</b>	<b>4,119</b>	<b>1,073</b>	<b>483</b>	<b>557</b>	<b>2,113</b>	<b>6,232</b>	<b>5.3</b>

Towns and cities with over 5,000 in employment in financial and related professional services are listed. GVA data are TheCityUK estimates. For details and methodology, see the Appendix.

# Recommendations for the new mayor

The following recommendations identify three key areas where the new mayor can make meaningful changes to help unlock the potential of financial and related professional services, to drive growth in the wider economy.

## 1) Engaging the industry

As the new Combined Authority grows and develops, the role of business will remain critical to its success.

The new mayor should:

- › **Publish and update a comprehensive plan for economic growth in the East Midlands.** This should include clear metrics and identify specific ways in which businesses from key industries, including financial and related professional services, can contribute to the Mayor's vision for economic growth in the region.
- › **Develop an industry-specific strategy for financial and related professional services,** reflecting our role as an engine for growth in the wider economy generating 112,000 jobs and £6.2 billion of economic output.
- › **Ensure that every sector of the economy, especially the services industry, is fully represented** in both business forums and the Mayor's work in promoting the region overseas.

## 2) People

Local policymakers and business leaders are best placed to identify the skills needed in their regions, particularly in developing and specialised areas, such as specialist forms of FinTech or LawTech. They can engage with local schools and universities to ensure that young people can learn about industries in their local area early on in their educational journey. The new mayor can also help to highlight role models in our industry to help attract young people from less advantaged socio-economic backgrounds.

The new mayor should:

- › **Bring together a wide employer network to contribute to the Local Skills Improvement Plan.**  
This will ensure that the plan reflects the needs of the regional economy.
- › **Ensure that plans for mapping and addressing skills needs, align closely with the wider vision for economic growth,** including creating capacity for training and re-skilling in growth sectors.
- › **Help connect schools, colleges and universities to engage employers in all areas of the education process,** for instance in areas such as curriculum and course design.

### 3) Prosperity

There has been significant progress in attracting investment to hubs outside London, including in the East Midlands, and policymakers should seek to build on this work. However, the ability to communicate and travel between locations remains a key barrier to maximising productivity. Effective digital and transport infrastructure will enhance the connectivity of thriving regional hubs like Nottingham and Derby, helping to support greater growth across all industries, not just financial and related professional services.

The new mayor should:

- › **Work with central government to encourage further investment in an enhanced national rail network** and supplement this by developing a unified transport strategy to move people and goods more easily.
- › **Continue to partner with the government to improve the region's digital infrastructure**, in particular the rollout of 5G.
- › **Provide businesses and potential investors in the region with clarity on how they can engage with the new Combined Authority.** Our industry can make a contribution to economic growth when there are clear structures in place for engagement between regional government and industry.

# TheCityUK

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