

TheCityUK

Enabling growth across the Tees Valley

a manifesto for the mayor



Foreword

On 2 May, voters in the Tees Valley will head to the polls to choose a metro mayor.

This election presents a valuable opportunity to build a deeper partnership between financial and related professional services and policymakers to drive growth and prosperity across the whole of the North East of England. Currently the industry employs around 56,000 people and contributes over £3.5 billion (6.3% of the region's economic output) to the economy of the wider North East.

The North East has a strong and diverse financial, professional and business services sector which includes leading regional companies in law and finance and specialist consultancies supporting key areas of opportunity like offshore energy. These jobs and the other products and services provided by the industry make a real difference in people's lives—helping them save, buy homes, invest in businesses, and manage risk.

This manifesto outlines practical and affordable ways for the Tees Valley's mayor to continue to foster economic growth and tap into the full potential of our industry.

Jerry Arneja

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56,000 people are employed in financial and related professional services in the North East.

The North East has particular strengths in banking, mortgage lending, legal services and management consulting.

The financial and related professional services industry employs a total of 56,000 people in the region, and generates 6.3% of regional GVA.

The North East has a strong and diverse financial, professional and business services sector which includes leading regional companies in law and finance and specialist consultancies supporting key areas of opportunity like offshore energy.¹

While Newcastle is the leading financial centre in the wider North East, businesses in that city are closely integrated to major towns and cities in the Tees Valley region, including Middlesbrough and Stockton-on-Tees.

Financial and related professional services accounts for:

6.3%
of regional GVA

5.0%
of regional employment

¹ North East Local Enterprise Partnership, 'Financial, professional and business services', available at: <https://www.northeastlep.co.uk/the-plan/support/financial-professional-and-business-services/>

Recommendations for the mayor

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

1) Engaging the industry

As the combined authority grows and develops, the role of business will remain critical to its success.

The mayor should:

- › **Publish and update a comprehensive plan for economic growth in the Tees Valley.** 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.
- › **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 mayor can also help to highlight role models in our industry to help attract young people from less advantaged socio-economic backgrounds.

The 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 North East, 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, helping to support greater growth across all industries, not just financial and related professional services.

The 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 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.

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