

Unlocking the West Midlands:

Driving growth through financial and
related professional services



Foreword

As the UK navigates economic uncertainty and geopolitical shifts, regions like the West Midlands have a pivotal role to play in driving sustainable and inclusive growth. With a diverse population, a proud industrial legacy, and a thriving financial and related professional services industry, the West Midlands is well-positioned to support the ambitions set out in Invest 2035, the UK Government's new industrial strategy and HM Treasury's (HMT's) 'Growth and Competitiveness Strategy for Financial Services'.

Financial and related professional services firms aren't only beneficiaries of regional growth; they are essential enablers. By providing financing, strategic advice, and risk management, they underpin the success of businesses across the economy. They are also training grounds for talent, equipping individuals with skills that benefit not just the industry, but the wider economy. Their future is interwoven with the West Midlands' broader trajectory.

This report is intended to support the West Midlands' contribution to Invest 2035 and the development of its new Local Growth Plan building on 'PwC's Framework for Growth and UK Financial Services' and TheCityUK's 'Enabling growth across the UK' report. Drawing on insights from across the industry, this paper sets out a practical and forward-looking agenda to unlock the full potential of the cluster as both a growth engine and a critical enabler of wider regional prosperity.

It complements the 'West Midlands Futures Green Paper' and other recent strategies that seek to deliver long-term, place-based growth. By aligning national and regional priorities, and reinforcing existing delivery mechanisms, this report helps position the region to lead in the next phase of UK economic renewal.

TheCityUK and PwC are proud to be part of this journey. Our shared commitment is to help build a stronger, fairer, and more competitive economy, one where growth delivers meaningful benefits for communities across the region.



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Introduction

The West Midlands is one of the UK's most ambitious and dynamic regions. Home to four million people and a £117bn economy, it has long played a central role in the UK's economic story, from its legacy as the cradle of the industrial revolution to its modern leadership in innovation-led sectors. Today, it is a region defined by its youth, diversity, connectivity and scale, offering one of the strongest foundations for inclusive and sustainable growth anywhere in the country.

Its economy is broad-based and resilient, with nationally and globally significant strengths in advanced manufacturing, clean energy, digital and creative industries, health and life sciences, as well as financial and related professional services. These are not only priority areas for Invest 2035, the UK Government's new industrial strategy, but also form the backbone of the West Midlands' emerging Local Growth Plan. Together, they represent a powerful platform for productivity, investment and jobs, one that is uniquely placed to drive national renewal.



According to analysis from TheCityUK: 178,000 people are employed in the West Midlands' financial and related professional services industry. This represents 6.5% of regional employment, and the industry accounts for 8.1% of the region's real GVA. Birmingham is a major financial centre with 66,125 people in employment in financial and related professional services industry, accounting for 11.5% of the city's total employment. Of these, the largest proportion work in management consultancy, followed by accounting and legal services. The industry generates more than 16% of the city's real GVA. Birmingham's credentials as a major financial centre were strengthened by HSBC's establishment of its UK headquarters in the city in 2018. In 2021 Goldman Sachs opened a new office in Birmingham, its largest in the UK outside London. It now has over 450 employees in the city and moved to a permanent office at One Centenary Way last year. Birmingham is also home to a larger number of other financial and related professional services firms including Deutsche Bank, DLA Piper, Eversheds Sutherland, Gowling WLG, Deloitte, EY, KPMG and PwC.

The industry also plays a vital role in workforce development. It equips people with high-demand and transferable skills, such as data literacy and client relationship management, that are valuable across industries. Many people who begin their careers in financial and related professional services firms later go on to drive innovation and improvement in other sectors.



1. People:

Growing and retaining local talent

The West Midlands has a large and highly qualified talent pool, with over 1.1 million residents educated to degree level or higher. Its 10 universities produce around 60,000 graduates each year, creating a strong and steady pipeline of skilled individuals. As one of the youngest and most diverse regions in Europe, the West Midlands has a significant opportunity to build an inclusive and future-ready workforce. However, many still believe that career progression requires leaving the region, often by moving to London, where high-value roles are perceived to be more concentrated. This has been compounded by the rise of flexible and remote working since the pandemic, which has made it easier for individuals to access London-based roles without relocating. While this can benefit individual living standards, it risks weakening the local labour market by drawing talent and focus away from regional employers. Others remain underemployed, working in positions that do not reflect their qualifications or potential, despite the region's strong educational base.

Financial and related professional services firms in the West Midlands draw on a workforce that is large, skilled and diverse. The region has a deeper pool of digital and data talent than any other UK region outside London. Birmingham leads UK core cities in the share of ethnic



minority professionals, highlighting its potential as a centre for inclusive economic growth, and a great draw for inward investment from across the world.¹

Crucially, financial and professional services roles often serve as springboards for wider career success. Professionals trained in these firms develop commercial, regulatory and digital skills that are in demand across all sectors. Strengthening financial and related professional services talent pathways is therefore an investment in the entire regional economy.

However, the skills that the financial and related professional services firms needs have also changed dramatically in recent years. Research by the Financial Services Skills Commission (FSSC) 'People + Technology: How skills can unlock value for Financial Services', published in 2023 and supported by PwC, shows that the financial services sector has the second-largest skills gap in the UK economy, and the biggest among highly skilled sectors. Financial services is a globally competitive market so retaining and investing in talent, particularly by developing future-focused skills, is key to the sector's ability to continue to thrive and drive economic growth.

To harness the West Midlands' potential to support the growth of financial and related professional services firms, we propose that the West Midlands Combined Authority consider developing and/or promoting:

- **A regional quality of life and career proposition toolkit**, designed to support both attraction and retention of talent. This toolkit would provide employers and recruiters with a compelling package of information, such as comparative salary-to-cost-of-living data, transport and housing insights, and testimonials, to showcase the benefits of living and working in the region. The objective is to enhance the region's competitiveness in attracting mobile professionals, graduates, and career returners.

¹ The West Midlands was Europe's seventh best performing region for FDI, securing 127 projects in 2023, with Birmingham named most successful city outside of London for FDI

- **Joint career opportunities campaigns**, co-led by the Mayoral Combined Authority and industry, to raise awareness of financial and related professional services career opportunities and promote positive perceptions of the industry as a long term, sustainable and high-growth career. These campaigns would feature lived experiences and role models from the region, especially those from underrepresented groups, and include immersive outreach such as 'day in the life' experiences and school visits. The goal is to increase local understanding of the breadth of financial and related professional services careers and encourage wider participation from across the talent pipeline.
- **A skills acceleration programme**, aligned with the flexibility offered by the new Growth and Skills Levy, to support localised re-skilling and entry-level training. The aim is to tap into underutilised talent pools and support progression into high-value financial and related professional services roles. This could build on existing regional models such as the WMCA's Digital Bootcamps and Sector-based Work Academy Programmes (SWAPs), which have demonstrated success in reaching learners furthest from the labour market. The programme would:
 - Enable co-designed training solutions between employers, local authorities and providers, ensuring alignment with regional financial and related professional services skill demands.
 - Fund short, intensive courses and entry-level routes for career starters, changers and returners, including those without traditional qualifications.
 - Focus outreach on areas with high economic inactivity and low participation in growth sectors, offering wraparound support such as digital access, childcare, mentoring and job coaching.
 - Provide a flexible, modular framework so individuals can build skills progressively over time, with clear pathways into employment and further training.

Success in these areas will depend on shared ownership. Employers must play a convening role, delivering not only jobs, but long-term careers that support resilience, adaptability, and inclusive growth across the economy.

Firstsource Solutions, a global business process management company headquartered in India, selected Birmingham for its UK expansion, aiming to support two leading UK banks. In just one year, the company exceeded its initial goal by creating 500 new jobs, surpassing the planned 360 positions.

To facilitate this growth, Firstsource partnered with the West Midlands Combined Authority (WMCA) through the Sector Based Work Academy Programme (SWAP). This initiative provided tailored training, work experience, and guaranteed job interviews for local residents, aligning workforce skills with employer needs.

Rajiv Malhotra, Head of Europe at Firstsource, remarked, *"This achievement was enabled by the unrivalled support the West Midlands provides for rapidly-expanding businesses."*

The collaboration between Firstsource and WMCA exemplifies how strategic partnerships and targeted training programs can attract inward investment and stimulate regional economic growth.



2. Place:

Creating a distinctive regional offer

The West Midlands has a number of thriving centres, each with unique character, economic strengths, and cultural appeal. It is highly connected: 90% of the UK population is within a four-hour drive, with direct trains to 17 of the 20 largest cities. Birmingham New Street is the UK's busiest station outside London, and Birmingham Airport connects to 130 global destinations.

Yet despite these assets, the region's scale and complexity has contributed to the challenges of projecting a cohesive and compelling identity. The economic strengths of individual places, such as Birmingham's financial services, Coventry's mobility innovation, or Wolverhampton's low carbon economy, have too often been promoted in silos. This dilutes the regionwide value proposition. Fragmented messaging risks obscuring the economy of scale and interconnected innovation ecosystem that make the West Midlands so investible.

It's also important to note that the West Midlands' scale and economic diversity can also be a significant advantage. Recognised as having sector strengths across all eight priority areas in the UK's Industrial Strategy, the significant potential for cross-sector innovation is evident. For example, the gaming and eSports cluster centred in Leamington Spa is increasingly collaborating with the automotive cluster around Coventry to develop immersive technologies and new digital product experiences. These connections demonstrate the region's capacity to fuse creative, digital and manufacturing excellence, strengthening its identity as a testbed for next-generation innovation.

The West Midlands is fostering innovative collaborations between its gaming and automotive sectors. A notable example is the partnership between **TATA Motors** and Leamington Spa's **Playground Games**. Together, they transformed a concept from the Forza Racing franchise into a physical prototype vehicle. This collaboration was further enhanced by Warwick Innovations, the commercial arm of the University of Warwick, which developed a scalable, modular software-based concept for automotive design based on the prototype.

Such cross-sector initiatives demonstrate the region's capacity to integrate creative digital expertise with advanced manufacturing, reinforcing the West Midlands' position as a hub for next-generation innovation.

Recognising this, the West Midlands Growth Company has launched the 'It Starts Here' campaign. This is a regionwide narrative designed to reposition the West Midlands on the global stage as a hub for innovation, investment, and transformative change. The campaign unites sector-focused messages under a single compelling brand, aligning closely with the region's ambition to lead in areas like smart energy systems, digital and creative technology, and MedTech, as well as innovation within financial and professional services.

Financial and related professional services firms have a pivotal role to play in reinforcing this narrative. They are not only part of one of the region's most visible growth sectors but also enablers of success across all others. Ensuring this shared identity resonates with investors, talent, and the Government will be key to securing anchor investments, influencing national policy, and demonstrating the region's capacity to lead the next phase of UK growth.

We recommend:

- **Closer regional investment collaboration**, to enhance how investment opportunities are surfaced, structured and promoted across the West Midlands. This should build on the momentum of the 'It Starts Here' campaign by positioning financial and related professional services firms as convenors, advisers and advocates in support of the WMCA's engagement with local institutions and national and international investors. The collaboration should aim to strengthen the visibility and investment appeal of high-potential regional projects and clusters. It would do so by combining the convening power of local authorities with the commercial expertise of financial and related professional services firms, helping to translate regional priorities into market-ready propositions.
- **Embedding a senior HMT and Department for Business and Trade (DBT) presence in the region**, not as symbolic satellite offices, but as active delivery hubs. These hubs would enhance local policy responsiveness, ensure regional insight is embedded into national decision-making, and demonstrate long-term government commitment. This would help attract investors, align funding streams, and accelerate delivery of key economic initiatives.
- **A coordinated industry development plan for financial and related professional services**, building on the region's established High Growth Cluster model and aligning with both Invest 2035 and the forthcoming West Midlands Local Growth Plan. While the

SuperTech cluster provides a strong foundation for this work, its focus is specifically on innovative professional services technology. The broader development plan should seek to define clear objectives for growth, innovation, and talent across the wider financial and related professional services landscape, supported by delivery frameworks tailored to firms' needs throughout the region. Furthermore, it should outline how the Mayoral Combined Authority will partner with financial and related professional services firms as a strategic enablers of wider regional priorities, including the development of advanced manufacturing, green technology, life science, and digital & creative sectors. Embedding financial and related professional services at the heart of the regional growth model will not only strengthen the industry itself but also help unlock investment, capability, and resilience across the whole economy.

- **A formal government–industry coordination mechanism**, building on the joint governance structures already established through the Single Settlement between the West Midlands Combined Authority and UK Government. This mechanism should ensure that financial and related professional services firms are consistently represented in regular strategic engagement with departments such as DBT and HMT. It would provide a platform for two-way dialogue on industry-wide issues, enable coordinated responses to emerging challenges, and ensure that the perspectives of financial and related professional services firms help to inform the design and delivery of regional and national growth plans. Its focus would be on unlocking barriers to investment, aligning delivery with shared priorities, and maintaining momentum on implementation. Strengthening this channel of communication would deepen trust, enhance visibility, and embed long-term public–private partnership at the heart of regional economic leadership.

Place-making must be people-centred. From high-quality commercial districts to cultural programming and safety initiatives, the lived experience of workers and residents remains central to talent attraction and investment. Financial and professional services firms can contribute directly, not only as employers, but as place-makers and conveners for wider regeneration and opportunity. There is also a growing opportunity for major firms in the industry to support WMCA-led programmes aimed at tackling barriers to employment, such as deprivation and poor health. By engaging more closely in efforts to increase workforce participation, firms can help unlock local talent and contribute to more inclusive economic growth.

3. Growth:

Unlocking investment and innovation

The West Midlands continues to attract investment across financial and related professional services, technology, manufacturing, and other high-growth sectors. The region's innovation ecosystem is substantial and maturing, underpinned by a range of strong assets and institutional capabilities. However, there is still untapped potential to attract more investment into the region and better align innovation and commercialisation efforts across sectors. While the region has strong academic and professional expertise, more can be done to generate and commercialise spinouts, particularly those aligned with the growth ambitions of the financial and related professional services industry.

For early-stage businesses, the support landscape can be fragmented. Many firms struggle to navigate from idea to scale, and to access timely capital at key growth stages. These challenges are compounded by a lack of enduring regional structures to coordinate activity. Existing support is often short-term or disconnected, making it harder to maintain investor confidence and drive systemic progress.

Targeted, sustained interventions are needed to build a more resilient and ambitious regional growth model. Key proposals include:

- **Pilot a regional secondment scheme to support scale-ups**, enabling high-potential businesses to access time-limited expertise from local professional and business services firms. Administered by combined authorities, the scheme would deploy secondees from legal, accountancy, consultancy, and transformation practices to firms at critical growth stages. Eligibility would be targeted at businesses in sectors aligned with local and national growth priorities, helping to retain strategic focus and value creation within the region. This would strengthen local advisory ecosystems, reduce dependency on London-based support, and enhance the scale-up pipeline across the West Midlands.

- Expand the region's ability to increase the number of early-stage companies that are both scalable and investible.** While the West Midlands has one of the UK's highest rates of business formation, it also sees one of the highest rates of business failure. The challenge is not simply unlocking capital but building confidence by cultivating a stronger pipeline of investor-ready ventures. This requires a sharper focus on the demand side. Business support programmes should prioritise attracting and nurturing high-calibre founders who are motivated to build high-growth firms. That includes helping existing entrepreneurs to sharpen their vision, strengthen their value proposition and develop business models that inspire investor confidence. At the same time, efforts should be made to attract experienced and ambitious founders to the region; those who have already built successful businesses and are looking for their next opportunity to scale. Targeted support should also be provided to scale and coordinate regionally based finance initiatives. This includes mapping the landscape of specialist lenders, community development finance institutions and alternative finance providers, to improve their visibility, coherence and accessibility.
- Explore targeted tax credits for region-specific innovation,** co-designed with HM Treasury and aligned to the Local Growth Plan and Invest 2035. These incentives could focus on activity in green finance, advanced manufacturing, fintech or healthtech, helping to stimulate investment in technologies and capabilities that contribute to both local and national priorities.
- Support stronger international promotion of the West Midlands as a destination for high-value, innovation-led growth.** This could include coordinated campaigns under the 'It Starts Here' brand, sector-specific showcases at global investor forums, and a regional investment concierge service to connect businesses with funders and provide tailored support. Taken together, these actions would improve visibility, build investor confidence and help scale the region's most promising technologies and ventures.

Growth must be inclusive, sustainable and resilient. The West Midlands Futures Green Paper makes clear that productivity cannot be pursued in isolation from social and environmental progress. Investment strategies should embed social value, local supply chain participation and environmental impact as drivers of innovation, not constraints. These elements build stronger business models, create wider public benefit and support long-term investor confidence.

Conclusion

The West Midlands already represents a vital part of the UK economy, but it has the scale, ambition and capability to do even more. As national policy shifts toward long-term industrial renewal through Invest 2035, and as local areas shape the next generation of growth plans, the region is uniquely placed to lead. Its diversity of people, depth of sectoral strength, and spirit of innovation form a powerful platform for inclusive and sustainable economic success.

Financial and related professional services will be central to this journey. This is not just a high-value industry in its own right; it enables progress across the entire economy. From structuring investment and financing innovation, to advising firms, training talent, and driving productivity, financial and related professional services businesses multiply the region's capacity to grow well and grow fairly.

This paper sets out a practical, forward-looking blueprint for unlocking that potential. It calls for renewed collaboration between industry, local leaders and central government, focused on three priorities: developing and retaining diverse talent; strengthening the region's identity and coherence; and building the structures needed to attract and sustain investment. These actions are not just desirable, they are necessary if the UK is to deliver growth that reaches beyond the capital and delivers on the full promise of devolution.

The West Midlands is ready to lead, not just as a region seeking growth, but as a partner in shaping it. With the right support, the right connections, and the right ambition, it can play a national role in driving the next chapter of the UK's economic story.

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