

West Midlands: Regional Growth Still Falling Short

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Efforts to boost economic development across the UK are still falling short in many areas, with business groups and local authorities warning that more needs to be done to bridge the gap between major cities and surrounding towns.

According to the latest *State of the Region* economic report, published by the West Midlands Combined Authority (WMCA), economic gains in cities such as Birmingham are

not being matched in nearby districts. While higher-value jobs in digital, tech and finance have increased in urban centres, many outlying areas remain reliant on lower-paid work in retail, care, and logistics.

“The local economy will work better for more people when high-value jobs in larger urban centres are complemented by strong, connected places across the region.”

Despite repeated claims by the Labour government about prioritising regional growth, many industry leaders believe the current approach lacks the consistency and local input needed to deliver real change. Concerns have been raised over centralised, short-term initiatives that fail to reflect regional needs.

Local growth boards and combined authorities have continued to press for more control over decision-making and spending, arguing that devolving power to the regions is essential to level up economic performance.

“What we’ve proven is that local leaders understand their economy better than anyone in Westminster. The next phase must give us the tools and powers to deliver lasting change.”

Some areas are already making strides. Coventry and Wolverhampton, for instance, have attracted investment in advanced manufacturing and clean tech, thanks in part to localised support schemes. But across much of the North and Midlands, smaller towns are still struggling to access opportunities.

A survey of small and medium-sized enterprises (SMEs) in central and northern England found that 48% felt disconnected from the national strategy, citing poor digital infrastructure and inadequate transport as key obstacles to growth.

There is growing concern among business groups that without a clearer, long-term plan – one driven by those on the ground rather than central government the UK risks creating a two-tier economy, with only major cities benefiting from investment and policy focus.

The WMCA and other regional authorities continue to call for a more balanced approach that allows towns and rural communities to flourish alongside urban centres. This includes investing in transport links, skills development, and innovation zones tailored to local strengths.

With urban hubs continuing to expand, long-term national prosperity depends on ensuring no region is left behind.