

## **Priorities for the Future**

### **Speech by Liam Byrne MP, Minister for the West Midlands**

**Thurs 2<sup>nd</sup> August 2007**

- Reshuffles are always anxious times for Ministers. Anxiously waiting by the 'phone. Hoping that it will ring. Worried when it doesn't.
- My first experience was a bit unusual. I'd only been a MP nine months when my phone rang. It was Tony Blair. Said like you to join the Government. Like you to go to DTI. You better ring Alan Johnson. I was stunned. Then it rang again. It was Jonathan Powell. "It's been a long day" he said. "PM didn't mean DTI, he meant health – better ring Patricia Hewitt".
- A month ago, there was no hesitation when the PM called me to the Commons to ask me to become the first Minister for the West Midlands. He was emphatic. And I was absolutely delighted.
- I believe the rationale for regional ministers is simple. An extra pair of hands to help us close the wealth gap between Britain's regions.
- Theory tells us that in a market and over time poorer communities catch up with the richer. We've seen it across Europe, with the rise of Spain and Ireland after they joined the EU.
- And yet look across our country and we still see differences that are too big.

- In fact, if we closed the wealth gap of today between the worst and best, our country would be £60 billion richer and our region £10 billion better off. That's £2000 each.
- In the last ten years, our region has made huge, huge strides; changes that have lifted this region up;
- Never have we been better educated, better trained, better connected with the best ideas wherever on earth these ideas are conceived; we have never been richer
- 138,000 more jobs in the region and unemployment down over 10,000 since 2000 despite the loss of Rover and Peugeot and 150,000 benefiting from NMW.
- Over £1,000 (1,250) extra per pupil in real terms and 3,500 more teachers and 10,210 more teaching assistants and £2.4bn of school capital funding and the best performing apprenticeship programme in Britain - with a 19% improvement in success rates in the last 2 years alone.

## THE WEST MIDLANDS' FUTURE

- Now what do these changes mean?
- They mean that we can face the future not with feelings of shiftless anxiety but a sense of acute anticipation.
- By the time my children go to work in 2020, unless I can get them out of the house any sooner, advances in trade and technology will change our country and our region out of all recognition
- Already nearly three-quarters of British companies feel that ICT will have a big impact on their sector. Yet by 2020 computers are expected to be over 4,000 times more powerful than today.
- Already gene therapy is not unusual. Yet by 2015 gene science might treat 1 in 3 life-threatening diseases.'
- Already some 2 billion people are inter-connected in a single market that includes the majority of the world's population.
- Yet in forty years time, the combined economies of Brazil, Russia, India and China may be larger than the G6 opening vast new markets for our automotive exporters, our education exporters, our pharmaceuticals, biotech, electronic and creative businesses.
- These changes could transform our wealth and we face this future in a position of strength.

- Britain is one of the world's most open economies. Our exports to Asia are up £15 billion in four years. We are the world's second best environment for eCommerce. With just one per cent of the world's population, we fund five per cent of the world's science – and take 10% of the world's key science prizes each year
- The risk we run, to quote Nye Bevan, who is one of my heroes, is not that we offer the country too much vitality, but too little.
- But we have to be frank that if we are to share in this future we have to confront some challenges which are more pronounced in the West Midlands than in the London, or in the South East or in the East of England, more pronounced.
- Britain faces the giant globalising knowledge economy with poorer skills and poorer applied science than the countries we compete with and in the West Midlands the challenge is starker still.
- The U.K has twice as many adults with low skills as the U.S and Germany. So can anyone believe our region's skills – basic and advanced, are good enough for the contests of the world today, never mind the markets of tomorrow? When we have the highest proportion of workers without qualifications in England, can we say 'we're confident we'll win the future'?
- Or take science. The UK is spending on business R&D lags behind the US, Japan and Germany by a big margin and is under the average of the EU 15<sup>1</sup>.

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<sup>1</sup> Science and Innovation Investment Framework 2004-14, p.9

- China and India alone produce 125,000 computer science graduates a year. Their spending is rising. Ours is going down.
- So does anyone believe the West Midlands can compete in the future when we have almost the lowest R&D spend in England? When we spend half the national average?

## **THE GOVERNMENT'S NEW AGENDA**

- We've made enormous strides as a region in the last decade. But the world is not slowing down. It's speeding up. We need a fresh start – and in the last twenty days we've got it.
- In a series of short steps – the Constitutional Green Paper, the local government white paper, the draft legislative timetable, the sub-national review and the DFT's funding statement, and more, we have a quiet, determined, well organised and pre-orchestrated revolution for the region's.
- After a decade of devolution away from Whitehall and Westminster, we want a further, faster shift of power out of Westminster closer to the front line.
- The Governance of Britain Green Paper calls for a new relationship between citizen, community and government.
- More power passed from central government to town halls; from town halls to local communities; from communities to individual citizens.

- The Sub-National Review sets out bold plans to give our councils the remit, the responsibility, the rewards and the powers to rejuvenate local economies
- RDAs, working with partners, will create single regional strategy but will become more accountable to local government on the one hand and Parliament on the other.
- The draft Queen's Speech proposes fresh measures for better transport, better planning and a radically greener country
- Above all, we want Britain's future wealth to fund communities for the better.
- So our Housing Green Paper last week, proposes three million new homes by 2020 – zero carbon by 2016, in mixed communities with hundreds of thousands of new homes for West Midlands families giving, I might say our young people in particular, a new chance to get a foot on the ladder often for the first time in their lives. I believe they have that right

## **THE WEST MIDLANDS' CHALLENGE**

- Our task together, is to take this new agenda and wrestle from it a better future for our region.
- Now you have the right to ask me – what is my policy – and what are my powers.
- With a commitment to a green way of doing business, let me give you my policy in five words “New jobs and new homes”
- My powers are merely three:
  - The power to convene - sometimes with force
  - The power to challenge – sometimes, frankly
  - The power to communicate –sometimes to counsel, and sometimes to celebrate- something I don't think we do enough.
- Over the next nine months, we can together refresh our strategy for our future:
  - In October, the Comprehensive Spending Review will set out new goals for our country and new targets for our public services
  - In December, Advantage West Midlands will publish a Regional Economic Strategy for the future, alongside the Regional Assembly's draft plan for future communities: we will be, I hope, the first region to link together plans for jobs and houses, three years ahead of the game.

- With these plans on the table, we will in June complete the renegotiation of Local Area Agreements and new agreements across areas for public service delivery and economic growth for the 3 years to come
- But these plans will only succeed if they connect to the plans, to the aspirations, to the ambitions of the millions of people, families and businesses in this region.
- Crucially, we have to sweep aside the malaise of modesty and replace it with an attitude of ambition
- Over the last twenty working days, I have met dozens of the region's leaders, from business, public services, politics, academia, trade unions and the third sector; I've spoken with ministers from transport, trade, business, skills, science, and local government to talk about the possibilities of the future.
- I want to tell you what they told me.
- Everyone I spoke to was passionate about this part of the world – but everyone believed we had stopped punching our weight
- Everyone believed that our diversity was a strength but the lack of a shared self-image or a shared strategy for the future was a weakness
- Everyone believed that we were better at narrating the glories of the past than articulating the goals of the future
- Well I believe this diversity is our strength;

- But our differences can be a strength only if we recognise and remedy the weaknesses we have in common.
- So this morning, therefore I want to announce some plans of my own
- To play my part, I can announce today three steps that I will take:
  - In September, I will host a conference for leaders across the region to brief me on the key challenges and opportunities they see ahead of our region for the next 15 years
  - Between September and November, I will visit every part of the region listening to residents and businesses, public service leaders and the third sector about the key priorities for the region as a whole
  - And in December I will publish my own statement of priorities alongside the RES and draft RSS at a summit
- But what is already clear from what people have said to me is we need faster action in five areas – with a delivery date no later than Christmas.

## **SKILLS**

- First, I believe that unless we take action now, this region will face nothing short of a crisis of skills in the years to come.
- The Government is giving local government new powers to shape the delivery of skills to our young people. We are simplifying support for business, encouraging more to go to

university and next year we agree new delivery agreements with agencies across the region.

- We have set out our ambition, to have truly world-class skills in our response to Sandy Leitch's Report commissioned by Gordon Brown (in 2005). Through the new Train to Gain Service employers can choose the best skills supplier for their workplace
- Our Train to Gain service is already the best in the country. 6,000 organisations and almost 23,000 employees are involved.
- But we need to go further. We need to put skills support and business support together. And we need to put skills at the centre of our business plans for new jobs.
- So I am pleased to be able to say this morning that John Edwards AWM and David Cragg LSC will now publish the region's first joint skills strategy by December

### ***SCIENCE Entrepreneurship and Enterprise***

- Second, no-one I have spoken to about our region's future believes that this region is going to make its living in the world in the way we could or should, without transforming the appliance of science.

- Our region has 8 universities, 4 other HEIs and 50 FE colleges. At Quinetiq we have business application of world class technology. I am told there are more medical science trials ongoing within 10 miles of where you sit this morning than anywhere else in Europe.
- In health, we not only have three medical schools but some of the country's leading NHS organisations. AWM already has in place Medilink bringing together industry the NHS and our Universities. But why can't we become one of the world's leading regions for health science and technology?
- This is a huge opportunity which we must seize. So I am challenging the region's health leaders to describe by Christmas how we join teaching, research and delivery of health services in a single effort.
- A partnership that would see the region's leading clinicians, gifted academics and scientists join forces in a combined research and health services facility to deliver crucial research and health services to world class standards.
- An advanced health science research partnership that would strengthen our ability to attract the very best players to work within the West Midlands.
- A partnership with the potential to deliver new advances in medical diagnosis, new treatments, new health services with

spin-off jobs for a future generation of health workers in the public and private sector.

## ***TRANSPORT***

- Third, transport. For 4,000 years this region has been at a crossroads. Its part of the secret of our success. We're a place where people and ideas come together and mix.
- But moving around is too hard today – and this threatens one of our competitive advantages.
- Last week we celebrated a big step forward for a new New Street; £128 million. But let me be clear about where I stand on the next steps. I will do everything within my power to help Birmingham perfect its pitch. And I challenge Birmingham to pitch its best.
- I am delighted that the city, AWM and the DfT have agreed to meet me later today to make sure we are all clear what 'perfect' looks like
- But we have to think outside one hub. Now is the time not just for New Street but for a new story about the region's priorities; what transport do we need for the future? For the new homes and jobs we plan? For the new links to new markets? Not just in Britain but across the globe.
- The government has now pledged new regional funds, new laws, new authorities for transport. I don't think we should wait for government to ask us what we want from this agenda. We need to say it first.

- So I am asking the Regional Assembly, AWM and the Government Office to develop a game plan. A game plan that will involve you. A gameplan that by December lets us be completely clear what the evidence shows about what we should pitch for. A regional transport priority list that each of us is happy to have in our back pockets.
- That's what Ruth and Rosie tell me we don't yet have from this region but its what we need
- So I'm also asking Olwen Dutton at the Assembly, Roger Philips, Chair of the Regional Transport Partnership and John Edwards of AWM to work with partners here to ensure that the region has maximised the opportunity of the forthcoming transport bill.
- By December I want the region to be completely clear about where its going and what it wants – in a way that ties in to the Regional Economic Strategy and the plans for new homes and a better environment

## ***TRADE***

- Fourth, we must trade more. For the past 30 years we have known that countries that trade more grow faster. The same could be true for regions.
- I am clear that our connections to the world beyond is not simply physical – distances are bridged today by people
- Our diaspora communities are one of the region's great strengths – bridgeheads to great growth markets of the future.

- In 2020 India will be the world's fifth biggest market. Our Indian community is nearly 180,000 strong; nearly one in six of Britain's Indian community lives in the West Midlands
- In 2020, the Chinese economy will be the second biggest in the world. Here in the West Midlands, our Chinese community is over 16,000 strong.
- So to understand what more we can do together our trade in these new markets, I will seek to visit India, China and the US in the next 12 months
- But to understand the true scale of what the region can achieve, Lord Jones of Birmingham will join me after the summer to create an assessment of what more we need to do in the West Midlands to win Britain's high potential markets.

## **OUR REPUTATION IN THE WORLD**

- Finally, people have said to me that our reputation outside our region doesn't match our citizen's passion and pride in the places they live – and they want to see that change.
- The cultural, the sporting, the heritage assets we have in this one British region would shame some small European nations;
- From the Ironbridge Gorge in the north west, to Stratford's RSC in the south; the NIA, the Birmingham Royal Ballet, the CBSO in Birmingham, the great Cathedrals in Hereford and Lichfield, and the Shropshire Hills, Alton Towers and the Royal Pump Room at Leamington Spa.
- Idle boasting is not in our nature - but we have a story to tell that needs to be heard louder.
- Within the next year the Olympic torch will pass from China to Britain
- I want those who care about our region's reputation to tell me how in the next four years we will change the way others think of us; so that *our* Olympic legacy is not just more visitors, more business, more jobs, more facilities for local teams, but a different image of our region in the peoples' minds
- I am pleased to be able to announce that the Secretary of State for Culture, Media and Sport has agreed to host a summit for those who want to help us get this started



## CONCLUSION

- I want to finish with family a story
- All of us here this morning will have their own family stories about how they came to be here. Some will have families here for centuries. Some will be newly arrived
- My roots date back to my great grand-father, an ambitious engineer who lost his livelihood to the Russian Revolution and decided to cross the North Sea from Scandanavia just before the Battle of Jutland to start a furnace business in West Midlands...because it was here he heard that here you could get things done.
- He was right. I believe that this region is the cradle of British genius. That genius that turned ideas into action. That action that turned Britain into the world power of today. A striking story.
- The story of scientists like Priestley, the father of chemistry and Charles Darwin.
- The story of Wedgwood, pioneer of the first industrial revolution.
- The story of Telford, whose 250<sup>th</sup> anniversary we celebrate in six days time.
- The story of Boulton and Watt who famously said: 'We sell what everyone in the world wants: power'

- The story of Frank Whittle, a man who did more for globalisation than almost any British citizen until the Tim Berners Lee, the father of the world wide web.
  
- When I look at the changes ahead for this country, I always think we should be more ambitious not less. I think the same is true today for the West Midlands.
  
- For three centuries we've helped shape the modern world. In this century, we can be world beaters
  
- We're right to be proud of our past. But it's more important now to talk about our confidence, our determination, and our faith in the future.