

I'm delighted to be here today and thank you to BCU for hosting.

Getting devolution to cities and places of all shapes and sizes will be of utmost importance as we navigate our post-Brexit future.

**Following the vote to leave the European Union, now is the time to ensure all regions and nations are sharing in the UK's prosperity.**

The CBI believes the key to shared prosperity and increased living standards across the UK requires closing the productivity gap.

This has been featured in our *Unlocking Regional Growth* report identifying educational attainment and skills development as the fundamental drivers of economic growth.

However, decision making and especially leadership can play an important part as well.

Political devolution can be used to improve local decision-making and allocate resources geared towards economic growth, improving productivity and delivering inclusive growth.

There have been successful devolution deals like Manchester, Liverpool and of course here in the West Midlands.

But these have been tempered by the events in East Anglia; Derby and Nottingham; and the Sheffield City Region.

These experiences, and the drain that Brexit makes on Parliamentary time seems to have impacted the Government's appetite for future devolution

which seems to have lost momentum since the previous government's 'devolution revolution' announcement at party conference three years ago.

**The current picture of devolution in the UK is a patchwork of different powers and entities – its inconsistent and incomplete.**

Subnational bodies of various kinds, combined authorities, LEPs and local authorities and councils.

This causes unnecessary complication that frankly many businesses don't have the time to try navigating.

And those that do try, may be better placed doing what they do best – creating good jobs, increasing productivity and prosperity across the country.

The Government's Industrial Strategy – the Government's response to Brexit - laid out the blueprint for increasing productivity in the regions.

But, played out over a complex and confusing landscape of local authorities, metro mayors and LEPs it is difficult to see how some regions won't still be left behind.

For example, the government announced that half of its £1.7bn infrastructure fund would go directly to the six areas with a metro mayor (good for some, probably many of you here), but this left the rest of the country to fight for the other half.

This situation isn't sustainable or fair, as we set out to increase prosperity across the country.

**The current thinking of government is that LEPs should drive productivity growth in the English regions without a combined authority. So we must look beyond the combined authorities.**

We welcome the LEP review as a positive step in redressing the current complexities, however, a long-term devolution agenda still needs to be clearer and include a framework that:

- aligns devolution to economic geographies
- devolves powers to the right level
- holds leaders to account

Where the overlaps a good idea? Probably not

Is getting rid them know a good idea? Probably not

When further devolution deals are put forward, both local and central government must ensure businesses have a seat at the table when devolution is being discussed.

The voice of business should not be discounted. If so, it's a missed opportunity to ensure we continue creating good jobs.

The advantages of working with the mayors are clear – through having that single focal point and champion for the region.

The CBI has already been working closely with elected metro mayors in the West Midlands, and Greater Manchester on their local industrial strategies.

And they work well. Although contrary to popular belief you can actually be a mayor and woman.

The combined authority here has provided a catalyst for business to speak up.

The West Midlands Industrial Strategy consultation has just closed.

And I have seen business leaders genuinely excited by the opportunities of having a local voice and influencing local decisions.

The Mayor's Business Advisory Group has been an excellent forum for discussion and exchanging ideas.

The combined authority here in the West Midlands has the backing of business.

In fact, our members have asked for the mayor to have more powers. We have called for strategic planning powers, similar to the Mayor of London's.

But whilst we understand the advantages of strengthening some aspects of some existing devolution deals we must ensure that those regions without them are not left behind.

Also, with time we should take stock, look to the evidence of what has been achieved with devolution to English regions.

This exercise can help determine whether we encourage further devolution of powers, to more places and in what form.

I work across the midlands, East and West. And the position of the East Midlands is very different to here.

Businesses are calling out for a more joined up approach, but the political and administrative structures simply do not exist.

And the combined authority model is unlikely to be implemented there.

In One Yorkshire the situation is reversed, the region is trying to pull together but doing this against resistance in Westminster.

### **In conclusion...**

I'm confident that the people in this room today can assist in looking to the evidence to determine the shape and form of devolution moving forward.

Devolution combined alongside other factors such as educational attainment, skills development and regional infrastructure can help ensure we create an economy that can work for all.

Combined authorities have shown us what regions can do, but they also show us that the model has its limitations.

There is a risk of exchanging a north – south divide for one where regions that do not have a mayor fall behind those regions that do.

Thank you