

At a time when central government is rightly focused on the Brexit negotiations, there is a strong case for government to push the delivery of economic growth to devolved institutions, and to give these the powers and resources to build on their strengths and address their weaknesses.

As devolution gathers pace, the regions must work more effectively together. Our goal is for the whole of the UK to become stronger to compete on a global stage. We all have to work harder post Brexit, another compelling reason to ensure the UK is the place to invest for international business. This means the North, the Midlands, London and the whole of the UK collaborating much more closely together, rather than seeking to compete.

The creation of the new metro-mayors, the city-growth deals and the proposed localisation of business rates are all positive steps forward, but do not go far enough. Scotland, Wales and Northern Ireland all have much more substantial powers to drive local decision-making than exists in England.

We ask you to commit to speeding up the process of devolution in England and, in particular, to give those parts of the country with suitable local institutions greater control over the revenues from locally raised taxes. The recent London Finance Commission called for the devolution of property tax revenue streams (stamp duty and business rates) to London government, replacing existing government grant pound for pound; similar packages should be put in place for other areas, reflecting their local characteristics.

The benefits of such devolution include:

- local government would have a stronger incentive to drive local growth. For example retaining local property tax revenue gives a strong incentive to support new development and resources to manage the public costs flowing from that development; and
- the comparative certainty provided by these income streams provides a foundation for prudential borrowing to deliver critical local investment – driven by local priorities rather than the ability to secure ad-hoc central government funding.

We believe that empowering the cities and regions will improve economic decision making and spur the innovation and productivity gains that will be critical to the UK's future economic success.

Signed:

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