

Speech: TheCityUK National Conference 2018

Introduction

This is an important event...at an important time.

As we leave the European Union, we are faced with exciting choices and possibilities.

It is a moment of national renewal, where we are affirming our faith in the British people and businesses to take advantage of the opportunities our new relationship with the EU, and yes, the rest of world, will present.

And let me be clear – the deal we strike with the European Union will mean we take back control of our laws, borders and money, and it will protect our economy, security and precious union.

The theme of today's conference – "Going for Growth" – in many ways sums up this government's ambition for Britain – not just economically, but socially, so that all parts of our country, all communities, can thrive, with no-one left behind.

The role of the city in the 21st century economy

And cities are central to this ambition.

For millennia the city has been a unit of economic and social solidarity.

From ancient Athens and Rome, to modern day London, Beijing and New York. Throughout history, to individuals and businesses, the city simply made sense.

But it hasn't been a story of ever upward progress, of continuing growth and expansion.

Think back to the 1970s and 80s and how cities suffered from declining populations and slowing economic growth.

As the economy has become more globalised and technology revolutionises the way we do business, the state has found new ways to support the city and in turn the last 20 years I think have seen a global renaissance in the city as a place to live and work.

Government has been working to give places the tools to take advantage of these opportunities.

We've created city region mayors – with new powers to boost jobs and skills, to build homes and improve travel – and devolution deals such as the West

Midlands, which will see over £1 billion invested over the next 30 years.

It's also why we're backing 26 City Deals in England and 7 across Scotland, Wales and Northern Ireland – and are keeping up the momentum, with the recent Budget announcements regarding the £350 million City Deal for Belfast and £150 million for the Tay Cities Deal.

We have continually backed cities because the contribution they make speaks for itself.

Birmingham has the highest number of new start-ups outside London and the wider West Midlands, as a whole, is the fastest growing region in the UK for goods exports.

Leeds has seen its economy expand by just over a third during the last decade and, in 2016, saw the fastest rate of private sector jobs growth of any UK city.

And Glasgow is also booming, generating more than £20 billion in economic output last year.

Dealing with the challenges of success

And yet, with the growth and productivity of our cities, come new challenges borne of this success.

If we want to ensure our cities continue to grow their potential we need to evolve policy to meet these challenges.

Weak skills, low wages and stagnating productivity, for example, all speak to a world in which work needs to be much more rewarding.

When work is alienating and lacking in meaning it creates a void in the individual which is filled by frustration and disengagement.

That is why a key part of our national [Industrial Strategy](#) and local growth plans is to help make work better for all, so that each individual can reach the full measure of their potential.

But we must ensure the right powers are held locally to ensure every place and person can forge their own destinies, address their own specific challenges and support local communities.

Since 2010 we have devolved power from Whitehall, rightfully handing it to local leaders and businesses, who have used it to improve the lives of their communities.

And we're taking it a step further.

I'm pleased to confirm that our new devolution framework will be published shortly and with it we will begin a new conversation about our emerging neo-localist agenda.

This new strand of policy will set out a direction for devolution post Brexit.

It will support areas to collaborate to help drive greater sub-national trading activity.

And it will challenge places to harness the opportunities new technology provides and, yes, for cities in particular, show just how much smarter they can be as a result.

The new devolution framework will build on the successes of the past, helping to ensure our cities remain the drivers of national economic growth, as well as connecting our towns and villages to that story too.

As my colleague the Business Secretary Greg Clark noted when the first Industrial Strategy green paper was launched, “economic growth doesn’t happen in abstract, it happens in particular places.”

Cities are already leading the way

Here in the Midlands this won’t be news to you; over 220,000 people are employed in the financial and related sectors.

So it’s little wonder that HSBC decided to base its UK headquarters here, in Birmingham’s Enterprise Zone – and highly fitting, too, given that the core of HSBC’s UK business goes back to the Birmingham and Midland Bank, founded in 1836.

The North, similarly, is a big draw for these sectors.

Manchester’s banking, insurance and professional services employ over 51,000 people and its financial quarter, Spinningfields, boasts Barclays, BNY Mellon and RBS alongside Deloitte and the recent arrival of Freshfields Bruckhaus Deringer.

Leeds is also proving a winner – as the home of international law firm Reed Smith’s new Global Solutions service and also Channel 4’s new national HQ.

Which all reinforces this government’s great vote of confidence in our vibrant, thriving cities – and also in the regions to which they belong.

I’m incredibly proud to represent and support these regions as Midlands Engine Champion in Cabinet to ensure they become even better places to live, work and invest.

The recent Budget reinforced that mission, with very welcome announcements on:

- £165 million for Birmingham, to support the Commonwealth Games Athletes Village and unlock 5,000 homes as a lasting legacy,

- £8.5 million to support Coventry when it hosts the UK City of Culture in 2021,
- and, crucially, a refreshed Midlands Engine Strategy to be published next year.

A strategy that will be grounded in strong, hard evidence about the region – underpinned by the [Midlands Engine Observatory](#) that's just been launched.

This will initially focus on a wide-ranging independent economic review of the Midlands.

Because we need to do more to understand the needs and ambitions of our city-regions if we're to back them to really succeed – indeed, if we're to back our country to succeed.

I've seen for myself, first-hand, what that means since I was appointed to my role.

In July, here in Birmingham, I heard first-hand about the ambitious plans for Curzon Street and the new HS2 station – which will turbo-charge the region's already great transport links and prime central location.

In August, I was in the East Midlands, at Lincoln and Loughborough Universities – just 2 of the 20 universities that make the Midlands a magnet for cutting-edge research and teaching excellence.

While I was there, I also saw how companies like Laing O'Rourke are leading innovations in modular housing to help us build more homes.

And in October, I undertook my first Midlands Engine Trade Visit, accompanying Sir John [Peace] and West Midlands' Mayor Andy Street, to India; travelling to Delhi and Pune and meeting key partners in the automotive and engineering industries – key sectors for both the Midlands and Maharashtra State.

A trip that was a great success, reinforcing the global reach of the brilliant products and services the Midlands offers and the exciting opportunities that lie ahead – opportunities that will see us forging new links.

Links that will see us increasingly talking about not just London-New York, but also Birmingham-Mumbai and Manchester-Hong Kong.

Because there is so much more our places can do to support their economies and transform their environments.

That is why our new devolution framework will help local areas take advantage of the opportunities leaving the European Union presents and build stronger bonds of kinship between people and communities.

I want to ensure that every area, every community, can seize the opportunities that will flow from that.

Because too many people feel like they didn't benefit from the old arrangement and that decisions weren't made in their interests.

This means thinking differently about how we invest; how we plan for our infrastructure, how we ensure new technology and the opportunities it brings can fit in with our cities, towns and villages.

This is why we're developing the UK Shared Prosperity Fund – a programme of investment to tackle inequalities between communities – to take effect after Brexit.

The aim is to drive up productivity, underpinned by evidence of what works at a local level, with Local Industrial Strategies playing their part to help communities maximise the Fund's long-term impact.

We will be consulting widely on its design shortly and I urge everyone with a stake in creating stronger, more prosperous communities to contribute.

Conclusion

Because it's these communities – the dynamic businesses, the bold entrepreneurs, the millions of talented, hard-working people – that hold the key to our future.

Communities that when they come together – as strong, confident cities anchored into strong, confident regions – with the backing of our financial and professional services, are unbeatable – both socially and economically.

I'm delighted to be working with you to celebrate and support them, knowing that when they succeed, we all succeed.

And that, as we leave the European Union, we harness the new opportunities available to us, enhance our skill base and productivity – seize the potential.

That we approach the future with an optimistic outlook of how we will forge a new direction.

Building upon innovation, technology and, yes, the strengths of our great cities, regions and the character of the British people.

Where everyone has a stake, everyone has a role and truly create a country where no-one is left behind.