

# **English devolution: the best answer to Brexit**

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Full speech transcript**

You might be wondering what has brought me back to Westminster to give a rare speech.

I'll get straight to it: a deepening concern about the deteriorating state of British politics and the damage it could eventually do to life in Greater Manchester.

If the new political season continues in the same vein as the last one ended, and I fear it already has, we are in real danger.

I can tell you the moment when I decided to make this speech.

It was in the middle of the summer when our trains had ground to a halt and our hills were ablaze and it felt like we were on our own.

The country appeared to be drifting, dangerously.

I had a real sense that Westminster was oblivious to what was going on in the rest of the country; and the two main parties consumed by febrile, internal debates.

British politics urgently needs to turn its focus outwards and find more consensus across party lines.

I am here today with constructive proposals that can help repair our broken politics and inject new confidence into the regional English economy.

Right now, in our polarised political scene, it is hard to think of any policy solution that attracts wide consensus.

But there is one that strongly unites Mayors, MPs and councillors of all political colours; has enthusiastic support from the business community; and, crucially, brings Remain and Leave voters back together.

It is the devolution of power to the English regions.

A recent poll in Greater Manchester found overwhelming public support for even more devolution of power to our city-region.

I can't think of any other policy agenda right now that could garner support like this. And for that simple reason we can't afford to ignore it.

In fact, the only postcode where views towards it tend to be more mixed is the one we are in right now.

My mission today is to try and win SW1A hearts and minds behind it.

Devolution to the English regions is not just the right policy at the right time.

It offers the best hope of making Brexit work for the regions and uniting our uncertain nation.

And can also help Westminster cope with the Herculean task of Brexit and not end up being sunk by it.

That's why it is in Westminster's own self-interest to embrace it.

In the midst of this summer's rail crisis, George Osborne tweeted that, although the ongoing chaos on northern railways makes the case for devolving full power and responsibility to the North overwhelming, Whitehall will always resist.

I can't see how that default scepticism, borne out of a long-held distrust of local government, can hold any longer.

Westminster is already visibly creaking under the weight of what Brexit means.

It is already clear that eyes are off the ball when it comes to the basic running of services.

You need look no further than the summer rail crisis for evidence of that.

If Westminster doesn't have the capacity to monitor services itself, then surely it makes sense to hand that job over now to bodies like Transport for the North?

Then there is also the delay to key decisions.

Speak to any Mayor or Council Leader and they will tell you about the Brexit effect on the running of Government: it is getting harder and harder to get an answer on anything.

In our centralised system, English cities are used to having to wait for Whitehall to give them permission to act. But not usually this long.

The danger for the country is that, as Westminster gets increasingly drawn into the detail of Brexit, progress on bread-and-butter issues such as transport, skills and housing will increasingly stall.

But the paradox is that these are precisely the issues that we need to be making progress on if we are to mitigate the effects of Brexit in the regions.

We have a direct example in Greater Manchester.

We want to get on with reforming our bus system. But we are still waiting for the Government to pass an order that will allow us to do so.

We now understand that, such is the pressure on Parliamentary time, Government whips will only allow non-Brexit-related legislation to go through if it is mission critical.

In other words, the English regions, unlike Scotland and Wales, are staring at years of Brexit blight on policy decisions that can help them keep moving forward.

Former Cabinet Minister Justine Greening this week put it very bluntly: she described Brexit as “the parliamentary equivalent of putting diesel in an unleaded car; it’s broken the engine.”

And, if all this wasn’t bad enough, it comes on top of a worsening council funding crisis. It should be a source of national embarrassment that, this summer, the bankruptcy of an English shire council was shock news that it made the front page of the International New York Times.

Britain appears to be a curiosity to the world, in freefall not just nationally but locally too. Just when we need to be showing our best face to the world, we have potholes in our roads, litter on our streets and heritage trains ferrying visitors around the Lake District after Northern cancelled all of its services.

Councils cannot begin to help build the post-Brexit confidence we need on a bare-bones budget.

Her Majesty’s Treasury needs to recognise that fact in the coming Budget and start to correct it.

Rising to the challenge of Brexit is a gargantuan task that will require the full engagement of every public servant and elected representative in the land – nationally, regionally, locally. It cannot possibly all be done from here.

Even in the good times, that hasn’t worked.

Westminster created the conditions for Brexit by failing to look after all parts of England equally. It cannot, by definition, find all of the answers to it.

If it seeks to bring back power from Brussels and hoard it all here, it would be making a grave mistake.

But, if these dangers weren’t enough, we turn to the biggest of all: the endgame of the negotiation with the EU.



What has been obvious in the two years since the Referendum – and I see it more clearly having left – is that we have been going round in circles, re-running the same arguments. No meaningful common ground has opened up.

The debate remains polarised. The only way it is moving forward is that the twin poles of Leave and Remain are becoming replaced by No Deal versus People's Vote.

For Greater Manchester, a place which sends 58% of its goods in exports to the EU but which voted by a majority higher than the national average to Leave, this new binary choice feels like being boxed into a dangerous corner which is heading towards either substantial economic damage or substantial social damage – or possibly both.

We can't let this dysfunctional debate drive us to the cliff-edge of a No Deal Brexit. So we need to wake up now to where all of this is heading. We have:

- the day-to-day running of Government grinding to a halt
- councils running out of money
- crucial decisions held up in the Brexit legislative logjam
- and a polarised political debate that is pushing us towards crashing out of the EU

The storm clouds are well and truly gathered.

Can we break out of this downward spiral and, if so, how?

The appeal I want to make today is for two cross-party campaigns – one on Brexit and another on devolution – which combined offer us the best chance of finding new consensus and lifting the country out of the hole it is in.

So first Brexit.

Later this month, the Greater Manchester Combined Authority will debate its position with a view to advising our MPs on how to secure the city-region's interests, economically and socially.

I want to set out today what my recommendations will be.

The trouble with the construct of the Parliamentary debate is that, unless people of very different opinions can unite around a specific set of proposals, No Deal is the default option we will be left with.

I am clear: that would be a disaster for Greater Manchester.

The shock to our economy and public services from crashing out of the EU would be huge. The Government's own impact analysis, leaked earlier this year, points to double-digit damage to the North West economy.

As far as there is any consensus on Brexit, I think there is now a majority of people who are against crashing out.

So that is the position that we need to unite people around. At this crucial juncture, it is the only position that has a chance of commanding majority support.

I will call for a broad, cross-Party campaign against No Deal with the aim of stopping it at all costs and will seek the support of other Mayors.

I think this is a better approach than opting straight for a People's Vote.

In this debate, elected representatives are in a different position to campaigners. Backing this call before we know the shape of the final deal risks compounding the sense of an arrogant political class who will simply keep asking the question until they get the answer they want.

That will fuel resentment.

I have to think seriously about what a second vote would mean on the streets of Greater Manchester.

If we thought the first was bad, the second would be a whole lot worse.

It won't heal divisions but widen them. It would be angrier. It would create social unrest and open up a massive opportunity for the populist far-right in the way we are seeing elsewhere Europe and the USA.

In fact, it is possible the so-called alt-Right are driving this No Deal agenda to set up the clash in our communities from which they think they can profit.

The biggest danger facing British politics right now is to allow this polarised No-Deal-People's-Vote dynamic to shape the next six months.

Instead, Greater Manchester's interests lie in finding a common-sense Brexit deal that as far as possible provides continuity, does not disrupt the supply chains of firms nor raise prices for our residents and businesses but at the same time allows the UK space to respond to the concern about freedom of movement and develop a more controlled migration system.

In practical terms, this means effectively building up from the Chequers Agreement, not watering it down.

But this is looking more and more unlikely. The odds on a No Deal outcome are growing every day.

So it time to consider a contingency plan.

As soon as it becomes clear that Parliament cannot unite around a plan, I would urge all Greater Manchester MPs to support a call on the EU for an extension of Article 50 beyond the March deadline as the next way of stopping No Deal.

This isn't about frustrating Brexit. It is about getting Brexit right. And the quicker we start openly talking about this, the better.

If that succeeds, it will allow more time to find a deal.

But there is a possibility that there isn't a deal that can unite the necessary majority.

Then, and only then, if we are left teetering on the cliff-edge of No Deal with no other options, I would endorse the call for a People's Vote on the proposed No Deal departure and encourage our MPs to do the same.

A price would undoubtedly be paid in terms of social cohesion. But it would be a necessary one to avoid the damage to people's jobs, families and lives.

I realise that this is an unfashionably nuanced position when simplistic big positions are all the rage.

But I am sufficiently worried to believe we need to develop agreement about this contingency plan against the nightmare scenario.

However the Brexit endgame plays out, it cannot and should not distract from the need for a big reset of our own political system.

In truth, the referendum result was as much an instruction for Westminster to review its relationship with the rest of England as it was for it to review its relationship with Brussels.

What found its voice in June 2016 was the deeply-held sentiment that our over-centralised political system has neglected some areas in favour of others.

But that uncomfortable truth has been overlooked in all the to-ing and fro-ing over Europe. To leave it unanswered is dangerous.

If the phrase "take back control" is to mean anything, it must mean substantial devolution of power and resources out of Westminster to all of the English regions.

I want to set out three reasons in support of English devolution which together set out a compelling and unanswerable case.

**First, it will help secure the effective running of the country at a time when Westminster faces a decade of legislative distraction.**

I am clear about this: the North of England can't afford a re-run of what happened this summer when our trains stopped running and we struggled to get hold of people in Whitehall.

Peoples' lives have been turned upside down by the chaos. But when Mayors and leaders from across the North have taken to the airwaves to call for help it has felt like we're shouting into the abyss.

I have no wish to be permanently at loggerheads with the Government over the future of the Northern Powerhouse and nothing would please me more than to draw a line and agree a plan and timetable for the rail investment we need.

But, more than that, we need the power to run our own system and devolved control over all of our rail stations, half of which do are not wheelchair-accessible.

What clearer symbol could there be of the neglect of Northern infrastructure by our over-centralised system and the effect that has on people's lives?

But that neglect could get worse.

The particular demands of Brexit on legislation and Parliamentary time create a growing risk for public service delivery in England that Wales and Scotland are insulated from because of devolution.

Greater Manchester stands ready to take on more responsibilities, with the powers and resources to deliver.

We want a mature partnership with Government: working together to deliver our aims and priorities where they align; doing things differently where that is right for us and will work better.

Whilst Westminster has faced growing paralysis, Greater Manchester has been making progress and delivering results.

Take the challenging issue of welfare reform where we have a modest level of devolution through the Working Well programme which works with people with health problems who have been longest out of the labour market.

Our more personalised approach has already helped over 3,000 people into jobs – double the success rate nationally. After six months of support, 74 per cent of those receiving support who listed mental health as a barrier said they felt it had improved.

One of the striking things about these results is that it is showing quiet success in what has been a highly-contentious issue nationally.

Or look at another difficult issue: rough sleeping.

Greater Manchester has set itself the challenging goal of ending the need for anyone to sleep rough on our streets by 2020 – seven years ahead of the Government.

We have launched an innovative new scheme to provide a home and support to some of our longest-term rough sleepers. And it is working. Over 100 have been housed and the drop-out rate is low.

But what gives me most confidence that we can meet our ambitious goal is that we have built a movement behind it, uniting public, private, voluntary and faith sectors.

This is true innovation in public service delivery and the power of devolution in practice.

So it is early days but we can already say that devolution in Greater Manchester is working.

It is unlocking new energy and new thinking just when the country needs it.

It is delivering results on challenging issues that have bedevilled Westminster.

And when the business of central government is grinding to a halt, it is our best hope of keeping the country running.

**Second, English devolution responds to the reality of the 21st century economy where national economies are diverging and cities are emerging as the centres of innovation and drivers of growth.**

One of the many problems of the debate about Brexit is that it is being exclusively discussed in the context of relationships between nation states.

What this misses is that it is cities around the world, and networks of cities, that are increasingly setting social and economic agendas and trends.

Take the issue of climate change.

It is the C40 network of cities which is driving clean transport and energy, often in the absence of urgency from central government.

In the US, it is the Mayors who have re-signed up to the Paris agreement after Washington backed out.

There are big cities around the world that are increasingly acting alone, or together in powerful networks.

But London and possibly Manchester apart, English cities are not sufficiently empowered to join these new clubs.

And consequently we are missing out on the action in the new economy.

To be fair to the Government, they have acknowledged the need for city-specific policies by pioneering the concept of a Local Industrial Strategy.

But every Mayor I have spoken to says that this will not succeed unless it is underpinned by a credible Local Skills Strategy.

In Greater Manchester, we need the ability to identify the specific sectors which we believe will deliver growth and future-proof, quality jobs and then develop with our schools and colleges a pipeline to feed young talent into those sectors.

So we urgently need more local control over all aspects of post-16 education to build this coherent system.

If the Government doesn't drop its resistance to this, the exciting concept of a Local Industrial Strategy is unlikely to work.

In all the regions, we are picking up a real nervousness from business on the urgency of the skills challenge with Brexit looming.

With apprenticeship starts in reverse, it feels at the moment that we are about to be hit on this issue and there's little we can do about it.

City-based skills plans would immediately put much-needed confidence back in the regional economy.

Wellington Webb, the former Mayor of Denver, said this: "The nineteenth century was a century of empires, the twentieth century was a century of nation-states. The twenty-first century will be a century of cities."

This is the new reality and Westminster won't make Brexit work if it doesn't wake up to it quickly.

**Third, and perhaps the most important argument of all, is that devolution to the English regions will build a much healthier politics.**

Devolution to Greater Manchester has transferred budgets, powers and responsibilities. But it's done something much more important than that.

It is helping us engage people in developing policies and counteracting the widespread disengagement from politics that led to Brexit.

I have found escaping the sterile environment of the rows of opposing benches is quite liberating.

It allows a unifying emphasis on place rather than the divisiveness of party and point-scoring.

And by placing power closer to people, it allows us to 'do with' not 'do to'.

As Bruce Katz, author of the Metropolitan Revolution, says: "City leaders are pragmatic to the core... At a time of increasing polarisation - they put place over party, collaboration over conflict, and evidence over dogma."

There is a focus on issues not process, solutions not arguments.

Devolution is not just a series of technical changes to the machinery of Government. It has had a profoundly positive effect on the culture of our city-region. It has created a new energy; a sense of possibility; a shaft of light in an otherwise gloomy political scene.

It has allowed us to give a level of engagement to our leaders in business, the universities, the faith and voluntary sectors in developing new policy solutions that you can never provide from a national level.

And it will also help us guard against a new divide that is in danger of opening up, as the MP for Wigan Lisa Nandy has warned, between cities and towns.

Where towns struggle to feature on the Westminster radar, in the Greater Manchester model they are united with the cities of Manchester and Salford in a common endeavour. Devolution in Greater Manchester will only be a success if it makes a difference for Oldham, Rochdale, Bolton, Wigan and Stockport.

And the good news is that it is – as a BBC/YouGov poll earlier this year revealed. It found that, in England, only one in six people believe our country's best years lie ahead of us.

This was in stark contrast to the devolved nations of Scotland, Wales and Northern Ireland where a high proportion of people feel more optimistic about the future.

I would put it to you that devolution has something to do with this marked difference.

The same poll found almost half the English population wanted the Greater Manchester model of devolution for their own area. Removing the 'don't knows', that support rises to three quarters - substantially higher than support for an English Parliament.

And where devolution is already a reality, there is evidence that our towns are feeling the benefit.

In Stockport, 87% of people expressed an opinion in support of Greater Manchester devolution.

In this day and age, you would be hard pressed to find a majority like that for almost anything.

It is time to acknowledge that, with the advent of social media, demand is growing for political involvement from the bottom up. Our political structures need to answer that call or face resentment and irrelevance.

So, in these divided times, the consensus around the need for more devolution to the English regions is the best consensus we have in today's politics.

It must not stop where it is now and that risks another new divide between areas with devolution and those without.

We in Greater Manchester want all parts of England to have what we have got and, as you have heard today, we also want more.

The more that we extend the same powers that Greater Manchester has to other places, for instance our neighbours in Cheshire and Yorkshire, the more we will be able to do for ourselves and open up a new positive chapter for our country.

So I come today with a constructive offer to the Government.

Devolution in England was your idea. It is working. It is best answer we have to the challenge of Brexit. And the best hope of building a new, more optimistic politics throughout England.

The exciting thing is that the changes you initiated with the Northern Powerhouse have unlocked a new energy that needs to be captured.

Tomorrow, for the first time ever, the North of England will come together as one at the inaugural Convention of the North.

We are set to achieve something we have never managed before: both sides of the Pennines speaking with one voice on big issues of common interest; celebrating our positive potential to build 21st century industry.

The North is uniting, demanding the ability to shape its own destiny.

Out of Westminster, real change is starting to happen.

My message to you today is - embrace it, don't resist it.

It's our best hope of making a success of everything that Brexit means.



**Ends**