

English Devolution and Community Empowerment Bill:

A perspective from the financial and related professional services industry

September 2025

About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth.

The industry contributes over 12% of the UK's total economic output and employs almost 2.5 million people. Two thirds of these jobs outside London and these generate nearly half (47% of the exports form our industry. It pays more corporation tax than any other sector and is the largest net exporting industry. The industry plays an important role in enabling the transition to net zero and driving economic growth across the wider economy in every region and nation of the UK through its provision of capital, investment, professional advice and insurance.

It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and manage risk.

Our industry fully supports the government's commitment to national economic growth and is ready to play its part as a vital enabler of the wider economy. We also believe that designing the right democratic and governance structures for greater devolution – to nations, mayors or new unitary councils - in collaboration with business is key to the role of these bodies in driving growth.

This paper is therefore a contribution to the debate which we hope will enable the final legislation to ensure the kind of partnership with will best support greater investment, innovation and prosperity right across the UK.

Making the most of greater devolution

We have consistently supported the expansion of the metro mayor model and the roll out of deeper and more consistent powers to the English regions. Businesses and investors believe there is value in a single decision maker, convenor and ambassador for a region and see this as a valuable tool in driving projects and investment.

While the increased level of devolution currently being offered to some English regions is welcome, it is important to combine this with greater consistency in the powers offered to each area, to create a more politically certain climate for businesses, which is vital for them in planning for the future. Our annual [Enabling growth across the UK report](#) has set out a number of ways in which new mayors and combined authorities can work in partnership with business to grow the economy of their area.

To create the most consistent and productive framework for further English devolution, the UK government should:

- Continue its plans to roll out the metro mayor and combined authority model to all English regions that want it while simultaneously devolving greater powers to existing mayoral combined and local authorities.
- Deliver its long-term goal of a consistent devolution settlement across all English regions with sensible alignment with the UK nations and greater clarity for businesses on the powers devolved leaders have. We support the introduction in the English Devolution and Community Empowerment Bill of new Ministerial Powers of Direction to require the establishment of a new Strategic Authority and accelerate the process of becoming a Mayoral Strategic Authority. This will support and drive forward the process of delivering devolution across the country.
- Actively explore how metro mayors can take strategic responsibility for major infrastructure projects to overcome obstacles to prompt delivery such as delays in the planning system and localised supply chains.
- Use the trailblazer devolution deals for the West Midlands, Greater Manchester and most recently the North East as a pilot for the move away from multiple funding pots and competitive bidding processes in favour of a single financial settlement for an area. A single funding settlement is crucial to provide combined authorities with flexibility over their capital expenditure, thereby creating more investment opportunities.
- Ensure that the Greater London Authority and Mayor can benefit from the same additional powers as new strategic authorities. This is especially important given the capital's key role as a driver of the wider UK economy.
- Ensure that the Council of the Regions and Nations and the Mayoral Council for England act as an effective conduit for the interactions between mayors and other devolved leaders and Westminster and Whitehall especially on critical matters like the coordination and delivery of the National Industrial Strategy.
- Strengthen the corporate memory of regional, devolved and local government by creating a new Leadership Academy, bringing in the best expertise from leaders around the world, and from business, to support political leaders and their staff in personal and policy development with a clear focus on how policymakers can work with industry to drive growth.
- Be clear that collaboration between metro mayors is important to making progress in the devolution agenda. For example, the launch of The Great North at the UK's Real Estate Investment and Infrastructure Forum. The government must ensure that the new formal duty to collaborate that is introduced through the Bill – to ensure Mayors have a formal process by which they can collaborate with neighbouring Mayors – does not create a cumbersome process and impact existing structures and more informal mechanisms for collaboration.
- Ensure that newly created unitary authorities can access and benefit from structures designed to develop and support strategic authorities (such as the Leadership Academy proposed above) and where appropriate the existing councils for devolved nations and mayors.
- Future devolution should also consider which new powers best sit with new, larger unitary authorities.

Engaging industry

Mayors and senior officers of new combined authorities must also ensure that their structures, approach and priorities are designed to collaborate with and support key industries. Combined Authorities should:

- Make business central to the development of their Local Growth Plans and Spatial Frameworks. Plans should include clear metrics and identify specific ways in which businesses from key industries, including financial and related professional services, can contribute to the authority's vision for economic growth in the region.
- Develop an industry-specific strategy for financial and related professional services, reflecting the industry's role as an engine for growth in the wider economy. This should include a plan for better connecting capital with projects in the area currently seeking investment.
- Ensure that every sector of the economy, especially in services, is fully represented in both business engagement forums and their work in promoting the area overseas.
- Ensure they fully engage with programmes designed to aid investment across the UK, in particular the new Strategic Investment Opportunities Unit being developed by the Office for Investment.

Skills

We welcome proposals within the bill to give more power to Strategic Authorities to address local skills needs. To make the maximum positive impact with these powers Strategic Authorities should:

- Bring together the widest possible employer network to contribute to their skills strategies and use their convening power to reflect this in the Local Skills Improvement Plan. This will ensure that these plans reflect the needs of the regional economy.
- Ensure that plans for mapping and addressing skills needs align closely with the wider vision for economic growth, including creating capacity for training and reskilling in growth sectors.
- Use their convening power to connect schools, colleges and universities to engage employers in all areas of the education process, for instance in areas such as curriculum and course design.

Growth

Combined Authorities and other local leaders should:

- Ensure their area has a single 'front door' for business services and support. This should include signposting to both regional and national initiatives and funding, as well as those available from the UK government or other organisations such as the British Business Bank.
- Continue to work with the UK government to improve transport connectivity in their area, allowing regional and national hubs to thrive in partnership.
- Continue to partner with the government to improve digital infrastructure, particularly the rollout of 5G.

Upward only rent reviews

One specific area of the bill with the potential to have unintended consequences for our industry is the proposed ban on upward-only rent reviews. The insurance sector, a major investor in commercial real estate, relies on various investment vehicles such as traditional commercial real estate loans, commercial ground rents, income strips, and credit tenant leases. These leases and loans are often linked to an inflation index with caps and floors, and in affordable and social housing to an RPI+X% formula, protecting against extreme inflation or deflation. Removing the floor could render these investments ineligible to match annuity liabilities under the current regulatory framework, deterring future investment and impacting the UK's international attractiveness. This would ultimately lead to less favourable capital treatment and higher funding rates or rents for borrowers and lessees, negatively impacting the overall market.

TheCityUK and enabling growth

Our annual *Enabling growth across the UK* report sets out the contribution financial and related professional services makes to growth in every region and nation of the UK, as well as further recommendations to boosting prosperity, opportunity and innovation.

Our network of [Regional and National Chairs](#) convene our members and partners in key hubs across the UK to engage industry with policy makers and civil society. We view successful and well executed devolution as key to spreading growth more evenly across the UK and stand ready to work with ministers, mayors, council leaders and officials to achieve this.