



## **Public Relations and Economic Development Sub (Policy & Resources) Committee**

**Date:** THURSDAY, 18 JANUARY 2018  
**Time:** 3.00 pm (or at the rising for the Policy and Resources Committee)  
**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Deputy Catherine McGuinness (Chairman)  
Sir Mark Boleat (Deputy Chairman)  
Simon Duckworth  
Hugh Morris  
Deputy Keith Bottomley  
Anne Fairweather  
Deputy Edward Lord  
Andrew Mayer  
Jeremy Mayhew  
The Lord Mountevans  
Deputy Tom Sleigh  
Sir Michael Snyder  
James Tumbridge  
Alderman Sir David Wootton  
(One Vacancy)

**Enquiries:** Angela Roach  
tel. no.: 020 7332 3685  
Angela.roach@cityoflondon.gov.uk

**John Barradell**  
Town Clerk and Chief Executive

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**  
To agree the public minutes and summary of the meeting held on 14 December 2017.

**For Decision**  
(Pages 1 - 6)
4. **MEMBERSHIP OF CHATHAM HOUSE**  
Report of the Director of Communications.

**For Decision**  
(Pages 7 - 10)
5. **THE BUSINESS OF TRUST 'FACTSHEET' - KEY MESSAGES**  
Joint report of the Director of Communications and Director of Economic Development.

**For Decision**  
(Pages 11 - 20)
6. **ECONOMIC DEVELOPMENT ACTIVITIES UPDATE**  
Report of the Director of Economic Development.

**NB: The appendices to this report, The Total Tax and The Value of Fintech, have been circulated as electronic documents only. Hard copies are available on request**

**For Information**  
(Pages 21 - 28)
7. **POLITICAL AND PARLIAMENTARY ACTIVITY**  
The Director of Communications and the Remembrancer to be heard.

**For Discussion**
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**  
MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

## Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**  
To agree the non-public minutes of the meeting held on 14 December 2017.  
**For Decision**  
(Pages 29 - 30)
12. **NON-PUBLIC POLITICAL AND PARLIAMENTARY UPDATE**  
The Director of Communications and the Remembrancer to be heard.  
**For Discussion**
13. **NON-PUBLIC ECONOMIC DEVELOPMENT UPDATE**  
The Director of Economic Development to be heard.  
**For Discussion**
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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## PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB (POLICY & RESOURCES) COMMITTEE

Thursday, 14 December 2017

**Minutes of the meeting of the Public Relations and Economic Development Sub (Policy & Resources) Committee held at the Guildhall EC2 at 3.15 pm**

### **Present**

#### **Members:**

Deputy Catherine McGuinness (Chairman)	Deputy Edward Lord
Sir Mark Boleat (Deputy Chairman)	Andrew Mayer
Simon Duckworth	Jeremy Mayhew
Hugh Morris	The Lord Mountevans
Deputy Keith Bottomley	Deputy Tom Sleigh
Anne Fairweather	Alderman Sir David Wootton

#### **In Attendance:**

Alderman Peter Estlin

#### **Officers:**

John Barradell	-	Town Clerk and Chief Executive
Bob Roberts	-	Director of Communications
Paul Double	-	City Remembrancer
Simon Murrells	-	Assistant Town Clerk
Damian Nussbaum	-	Director of Economic Development
Simon Latham	-	Town Clerk's Department
Eugenie de Naurois	-	Town Clerk's Department
Peter Cannon	-	Town Clerk's Department
Nigel Lefton	-	Remembrancer's Office
Carolyn Dwyer	-	Department of Built Environment
Peter Lisle	-	Town Clerk's Department
Emma Sawers	-	Town Clerk's Department

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from James Tumbridge.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

#### **3. MINUTES**

**RESOLVED** – That the public minutes and summary of the meeting held on 19 October 2017 be approved as a correct record.

#### **4. ECONOMIC DEVELOPMENT UPDATE**

The Director of Economic Development updated the Sub-Committee on the work of the Economic Development Office. He referenced that the last month had been particularly busy with key highlights including:

- The Policy Chairman visiting China twice in three weeks, the second time as part of a delegation with the Chancellor of the Exchequer.
- The Memorandum of Understanding has been signed between Tokyo and London and the subsequent work is being led by TheCityUK.
- Engagement is being undertaken with Ireland and Switzerland in the lead up to Brexit.
- The 10<sup>th</sup> anniversary of the Total Tax report has been an opportunity to communicate the contribution that the financial and related professional services sector makes to the UK economy.
- Further investigation of the work that can be done in cyber is being carried out in partnership with The Chemistry Club, which brings together different parts of the industry.
- Regarding social mobility, there have been a series of workshops, regarding raising potential and best practice.

The Chairman commended the work of the Economic Development Office, which is often unseen and Members asked for a Public Relations and Economic Development Sub Committee Away Day to find out more about the work of the Economic Development Office as well as the Communications Department.

## 5. **POLITICAL AND PARLIAMENTARY UPDATE**

The Director of Communications updated Members on Brexit developments and that measures that the City Corporation has been lobbying for are in the Phase 1 agreement. There was speculation on whether the negotiations were now going to get harder as everyone is starting to suffer from Brexit fatigue.

The Director updated Members that the City Corporation messaging on the 3 T's (transition, trade and talent) were to be continued, however there would now be an emphasis on trade.

A Member then raised the issue of how British representation will come off EU regulatory committees and then there were comments on how the UK being a "rule-taker" puts the City in a difficult position.

The Policy Chairman reminded Members of how we are trying to raise our voices on these matters by boosting representation in Brussels and focusing a lot on regulatory coherence. She also commended the Director of Communications on the positive press coverage.

The Remembrancer then made a few points on the EU Withdrawal Bill where he referred to two MPs who had supported and pushed through 5 of the City of London Corporation's 8 amendments to the Bill.

## 6. **ENHANCING SPORT ENGAGEMENT**

The Sub-Committee received a report of the Town Clerk asking Members to consider proposals by an independent consultant on supporting upcoming major sport competitions.

Some Members felt that the City Corporation should take a proportionate and strategic approach to support sport, and to focus on access to sport for people with disabilities. It was also noted that there were significant sports already happening on our own open spaces which should be taken on board, and more generally plugging into what the City Corporation is already doing.

Other Members were minded to disagree with the argument that as the City Corporation were on the verge of spending £1bn on the Culture Mile, it should be prepared to spend £0.5m on sport. There was a feeling amongst some Members that stopping this now could be interpreted externally as a lack of interest or empathy.

**RESOLVED**, that:

- 1) The City Corporation adopt a more pro-active and strategic approach to sport engagement in recognition of the organisational and stakeholder benefits;
- 2) Further work should be undertaken and reported back next year on the process for supporting this new enhanced approach in relation to the following aspects:
  - a) Sport Engagement Assessment Matrix
  - b) 2018/19 Engagement
  - c) Resourcing and Staffing Implications
  - d) Committee Approval Process.

## 7. **MESSAGING FOR LONDON**

Members considered a report of the Director of Communications on a debrief of the research project developing key messaging for London.

The Sub Committee were reminded that Policy and Resources Committee had previously committed £50,000 to support this project carried out alongside the Greater London Authority (GLA) and London & Partners. The Director of Communications told Members that this paper is a result of over 4,000 interviews and there were some interesting findings, which can be read in detail in the report.

Members were generally positive on the report and enquired into what the GLA and London & Partners conclusions were and if the City Corporation was consistent in its interpretations. The Director of Communications updated Members that the two bodies had been enthusiastic and the next step for the City Corporation was to crystallise and make the messaging and language succinct.

**RESOLVED**, that:

- The Policy and Resources Committee are recommended to approve that the City Corporation uses the strongest messages found by the research in all our communications.

8. **LORD MAYOR'S SHOW 2018**

The Sub Committee considered a report of the Director of Communications on support for the Lord Mayor's Show Ltd.

There was clarification that the Pageantmaster of the Lord Mayor's Show Ltd was aware of these proposals.

**RESOLVED**, that officers and departments:

- examine if they can give greater support of the Lord Mayor's Show Ltd (LMS);
- investigate other more diverse and interesting means to increase public engagement with the LMS;
- look at generating potential activity which utilises the opportunities in the wider City during the day of LMS, from river procession right through to fireworks;
- draw on the full range of our strategic relationships and partnerships to reinforce the relevance of the LMS as a metaphor for the role of the City itself.

9. **6 MONTH MEDIA ACTIVITY**

The Sub Committee received a report of the Director of Communications on a six-month media update.

**RESOLVED**, that:

- The report be noted.

10. **FUTURE EU/UK TRADING RELATIONSHIP IN FINANCIAL SERVICES**

The Sub Committee considered a report of the Director of Economic Development on the policy stance of the future EU/UK trading relationship in financial services.

Members were broadly in favour of the report and happy to accept the policy stance. There was some discussion on whether the stance should also include the exclusion of the European Court of Justice (ECJ).

The Policy Chairman reminded Members that the messaging is aligned with the financial and professional services sector.

**RESOLVED**, that:

- The content of the report be noted
- The policy stance and engagement strategy be approved.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.



12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

The following items of urgent business were raised –

Gateway 3 /4 Detailed Options Appraisal – City Wayfinding Signage Review

Following a resolution from the Projects Sub Committee, the Public Relations and Economic Development Sub Committee were asked to review any branding implications for the City.

The Director of Communications updated the Sub Committee that in his view more work needed to be done on branding and suggested a report come back to the Sub Committee in the New Year.

Branding Strategy

A Member enquired into what the branding strategy was for the organisation and whether there were any plans for digital signage in the City.

The Director of Communications updated Members that the branding strategy and use of logo remains the same and that there were branding guidelines on the website.

13. **EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

**Item**  
14-18

**Paragraph**  
3

14. **NON-PUBLIC MINUTES**

The non-public minutes and summary of the meeting held on 19 October 2017 were considered.

**RESOLVED**, that:

- The non-public minutes of the meeting held on 19 October 2017 be approved as a correct record.

15. **FUTURE EU/UK TRADING RELATIONSHIP IN FINANCIAL SERVICES - APPENDIX**

The Sub Committee received an appendix to a public report outlining the engagement programme relating to the EU/UK Market Access Proposal.

**RESOLVED**, that:

- The report be noted.

16. **EUROPE UPDATE**

The Sub Committee received a verbal update from the Special Representative for the City to the EU in respect of his reflections and activity in recent weeks.

17. **NON-PUBLIC POLITICAL AND PARLIAMENTARY ACTIVITY**

18. **NON-PUBLIC ECONOMIC DEVELOPMENT UPDATE**

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

**The meeting closed at 4.30 pm**

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Chairman

**Contact Officer: Emma Sawers**  
**emma.sawers@cityoflondon.gov.uk**

# Agenda Item 4

<b>Committee(s)</b>	<b>Dated:</b>
Public Relations & Economic Development Sub-Committee – for decision	<b>18 January 2018</b>
<b>Subject:</b> Membership of Chatham House	<b>Public</b>
<b>Report of:</b> Director of Communications	<b>For Decision</b>
<b>Report author:</b> Colton Richards, Corporate Affairs Officer	

## Summary

The Royal Institute of International Affairs, more commonly known as Chatham House, is a non-governmental, independent policy institute which focuses its work on the most significant developments in international affairs.

The City of London Corporation is a key corporate member of Chatham House, which provides access to experts, major events, research and regular briefings. As part of this corporate membership, 25 representatives from the City Corporation are listed as ‘nominees’ and can attend Chatham House events and receive its research.

This report proposes a review of the current list of nominees.

## Recommendations

Members are asked to agree to three recommendations, as set out in this report.

1. A new proposed list of 25 City Corporation nominees, in accordance with the process set out in the report
2. The list should comprise both Members and Officers
3. It is suggested membership be offered to the following Member and Officers as detailed below and, more specifically, in Annex A.
  - Members of the Public Relations and Economic Development Sub Committee (PRED)
  - SBTAC
  - 9 Officers representing interested departments/offices and/or leading on Chatham House engagement: EDO, Communications, Corporate Affairs, Mansion House, Remembrancer

## Main Report

### Background

4. Chatham House is a non-governmental, independent policy institute which focuses its work on the most significant developments in international affairs. The City Corporation is a major corporate member of Chatham House, a

status which provides access to Chatham House events, experts and work. Membership enables the City Corporation to engage with leading international figures on a range of key issues.

5. To ensure most is being made of our membership of Chatham House, it is important the nominees we propose can attend events and represent the City Corporation when relevant issues are being discussed.
6. In the event a PRED member does not wish to take up his/her nomination, a call for expression of interest, with reasons, will be sent to the Policy and Resources Committee, and PRED will take the final decision on the new nominee.
7. An officer can delegate his/her membership to another officer within the same team, to make better use of it. Any request of the kind must be made to the Corporate Affairs team.
8. The list will be updated regularly according to any changes in roles.
9. Those who are on the current list will be informed separately of the changes taking place.

## **Conclusion**

10. The City Corporation is a major corporate member of Chatham House. To ensure most is being made of our membership, committee members need to agree to redraw the list of nominees, with a combination of City Corporation members and officers able to attend Chatham House events.

## **Colton Richards**

Corporate Affairs Officer, Town Clerk's Department

T: 020 7332 1357 E: [colton.richards@cityoflondon.gov.uk](mailto:colton.richards@cityoflondon.gov.uk)

## **APPENDICES**

### **Appendix A – City of London Corporation Chatham House Suggested Nominees (new)**

#### **Members (Common Councilmen and Aldermen)**

1. Catherine McGuinness, Deputy (Chairman)
2. Sir Mark Boleat (Deputy Chairman)
3. Simon Duckworth,
4. Hugh Morris
5. Keith Bottomley, Deputy
6. Anne Fairweather
7. Edward Lord, Deputy
8. Andrew Mayer
9. Jeremy Mayhew
10. The Lord Mountevans (Alderman)
11. Tom Sleigh, Deputy
12. Sir Michael Snyder
13. James Tumbridge
14. Sir David Wootton (Alderman)
15. Peter Estlin (SABTAC)

#### **Officers**

16. Jeremy Browne, Special representative to the EU
17. Sherry Madera, Special adviser for Asia
18. Vic Annells, Executive Director of Mansion House and Central Criminal Court
19. Paul Double, Remembrancer
20. Damian Nussbaum, Director EDO
21. Giles French, Assistant Director, EDO
22. Eugenie de Naurois, Head of Corporate Affairs and think tank coordinator
23. Colton Richards, Corporate Affairs officer and think tank coordinator
24. Tara Macpherson (Representing the Communications Team for Bob Roberts)
25. COL open ticket (which allows for additional places to be secured at some events)

**Appendix B –  
City of London Corporation Chatham House Nominees (current)**

1. Catherine McGuinness
2. Sir Mark Boleat
3. Charles Bowman
4. Jeremy Browne
5. Vic Annells
6. Eugenie de Naurois
7. Paul Double
8. Peter Estlin
9. Giles French
10. Sir Roger Gifford
11. Tara Macpherson (Representing the Communications Team)
12. Sherry Madera
13. Jeremy Mayhew
14. Hugh Morris
15. Damian Nussbaum
16. William Russell
17. Philip Saunders
18. John Scott
19. Sir Michael Snyder
20. Philip Woodhouse
21. Sir David Wootton
22. COL open ticket (which allows for additional places to be secured at some events)

# Agenda Item 5

<b>Committee(s)</b>	<b>Dated:</b>
Public Relations & Economic Development Sub-Committee	18 January 2018
<b>Subject:</b> The Business of Trust 'factsheet' – key messages	
<b>Report of:</b> Director of Communications and Director of Economic Development	<b>For Decision</b>
<b>Report author:</b> Henry Tanner, Communications / Noa Burger, Economic Development	

## Summary

The Economic Development Office has a strategic objective to 'cultivate trust' in financial and professional services by supporting businesses in the sector to adopt responsible practices and improve public perception of the City. This objective is being delivered in part through the 'Business of Trust', an ongoing City Corporation initiative, which was launched in November by the Lord Mayor and aims to improve the trustworthiness of the UK's financial and professional services sector, and create a lasting legacy of better business trusted by society.

In order to maximise the City Corporation's impact in this important area, the Communications team has worked with the Economic Development Office, with input from Mansion House, to develop key messages that can be incorporated into the City Corporation's approved factsheets and used consistently across all communications channels.

Example key messages include:

- 10 years after the financial crisis, trust in business and financial and professional services remains low. The public remains sceptical about the progress that has been made and people are still suffering the effects of 2008.
- The City of London Corporation has a long-term commitment to increase responsible business practices within financial and professional services, but we now need to ensure these are at the heart of the sector. Businesses cannot be complacent and must respond to changing public concerns and expectations. This will help build public trust for the benefit of organisations and wider society.
- The Business of Trust aims to improve the trustworthiness of the UK's financial and professional services sector and create a lasting legacy of better business trusted by society.

## Recommendation

Members of the Public Relations and Economic Development Sub Committee are asked to approve the factsheet, which is attached to this paper.

## **Main Report**

### **Background**

1. The City Corporation has a strong and long-term commitment to supporting businesses to adopt responsible practices. However, changing public expectations of the role of business in society, an environment of political uncertainty, and the ongoing impact of the financial crisis on people's day-to-day lives, has culminated in a sharp decline in public trust across all sectors. This makes our work in the responsible business arena arguably more important than ever.
2. In response to this changing climate, the Economic Development Office has been developing a major initiative, the Business of Trust, which responds to this issue of low public trust and which provides the City Corporation with an invaluable opportunity to demonstrate the significant part that financial and professional services play in society.
3. The initiative has been based on extensive research, including a series of citizens' juries in London, Nottingham and Edinburgh, which generated insight into public perceptions of financial and professional services, and the changes that would help to improve it. These insights have been developed into a set of guiding principles, which provide a shared starting point for the work.
4. In November, the Business of Trust was launched by the Lord Mayor at a reception of 200 business leaders from across the City, where it received high levels of support from the business community and coverage in the press.
5. The initiative is now being delivered through five key pillars:
  - Inspiring businesses to operate with integrity and grow their positive impact
  - Supporting businesses and their leaders to meet tomorrow's challenges
  - Bringing the City together to explore the changing role of business in society
  - Working with others at home and abroad to build trust in business
  - Connecting with communities to take the discussion beyond business

### **Proposal**

6. In order to effectively tie together this ambitious and cross-cutting programme, it is imperative that the organisation speaks with one voice.
7. We have numerous opportunities to use our convening power and strong relationships to make a difference through the Business of Trust, and we will have greatest impact if we can deploy compelling and relevant messages, strengthened by repetition at every opportunity and at all levels of the organisation.



8. To achieve this, the Communications team has developed a City Corporation 'factsheet' for the Business of Trust. This includes a series of key messages, supported by headline facts and a summary of the intended work.
9. Subject to Member approval, this factsheet will be used by all City Corporation Officers and Members across all communication channels, including but not limited to speeches, briefings, press releases and programme collateral. This approach will enable us to deliver consistent messages, effectively and efficiently.
10. Members should note that this is one of a suite of factsheets, which will be brought to Members and which are currently being developed by the Communications team to cover a range of organisational priorities.

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## Factsheet

### The Business of Trust

The Business of Trust is a City of London Corporation initiative which was launched by Lord Mayor Charles Bowman in November 2017. It aims to improve the trustworthiness of the UK's financial and professional services sector and create a lasting legacy of better business trusted by society.

#### **KEY MESSAGES - Domestic**

- 10 years after the financial crisis, trust in business and financial and professional services remains low.
- The public remains sceptical about the progress that has been made through a variety of government, sector and company-led reforms.
- People are still suffering from the effects of 2008. They continue to hear and experience negative stories about financial and professional services.
- Many people still think that businesses are remote, detached from their lives and separate from their communities.
- Public expectations of business are changing. People now expect business to deliver for society, demonstrate a human face and act transparently.
- The City of London Corporation has a long-term commitment to help increase responsible business practices within the financial and professional services sector.
- We need to now make sure that responsible business practices are at the heart of the financial and professional services sector.
- This will help build public trust and support businesses to drive forward positive changes, for the benefit of organisations and wider society.
- To date we have developed guiding principles that are a starting point for business. They can be embedded within business models and values.
- In addition, we have already started working with around 60 of the City's next generation leaders - the Leaders of Tomorrow – to empower them to take action and increase trustworthiness in the sector.
- They are the talented next generation business leaders who are tackling the real opportunities and challenges facing the sector both today and in the future. We will be growing their engagement and commitment over the year ahead.
- The Lord Mayor and the City of London Corporation are committed to developing a progressive and lasting legacy that ensures that the financial and professional services sector continues to positively engage with this agenda in the coming years.

- Ultimately, we want to ensure that the UK's financial and professional services sector plays an important role in supporting the wider economy and society, and is recognised as trustworthy by the public.

## **KEY MESSAGES - International**

- As an innovative global financial centre, the UK is recognised across the world as a leader in the development and promotion of high standards of regulation and best practice.
- As other major financial centres have experienced, the financial and professional services industry has struggled to regain trust with the public since the financial crisis.
- The sector cannot be complacent and must respond to changing public concerns and expectations.
- The 'Business of Trust' will support the financial and professional services sector to demonstrate and communicate its strengths internationally and to continue and grow its positive impact.
- This includes working with businesses to promote the City of London, and wider UK, as a trusted global business centre.
- This is built on an internationally renowned corporate governance regime and highly regarded legal system.
- The UK's corporate governance regime is a key strength for us and helps to deliver long-term success and promote trustworthy practices.
- The UK also has a legal system underpinned by the Rule of Law, which is replicated across the world as a reliable way to resolve disputes, and promotes confidence in our business environment.
- We are also working hard to ensure that our regulatory, governance and legal systems are fit for the future, responding to the opportunities and challenges that changing technologies present.
- The 'Business of Trust' will support businesses to deliver inclusive growth that ultimately benefits society.
- It will also provide opportunities for businesses based in the UK and abroad to share best practice and learn from each other's experiences and common challenges.

## **BACKGROUND**

- Through the 'Business of Trust' programme, we will be challenging business to raise its game in delivering – better business trusted by society.
- Early in 2017 an advisory group of industry leaders reviewed and distilled years of guidelines, standards and codes of conduct.
- We also gathered information during the summer of 2017 through a series of focus groups.
- This series of day-long focus groups with the public were held in London, Nottingham and Edinburgh to help gather feedback and develop recommendations.
- This built an evidence base alongside an analysis of existing initiatives and codes of conduct.

- These have shaped our thinking on the steps that the sector can take to increase its trustworthiness.
- A key point from the focus groups was that they wanted consumer focused firms to be more transparent, not just in their business practices but in how they communicate vital information to consumers.
- They also wanted clear communication from business and an approach where the customer was put first.
- We have as a result of this work developed guiding principles that act as a starting point for business and can be embedded into their plans and values. They are:
  - Demonstrate and build Competence and skills
  - Act with Integrity
  - Create Value for society
  - Balance the Interests of others
  - Deliver Clear communication
- Through the 'Business of Trust' we will be:
  - Inspiring businesses to operate with integrity and grow their positive impact
  - Supporting businesses and their leaders to meet tomorrow's challenges
  - Bringing the City together to explore the changing role of business in society
  - Working with others at home and abroad to build trust in business
  - Connecting with communities to take the discussion beyond business
- In order to achieve this ambitious programme, we will support the Leaders of Tomorrow – the City's next generation of leaders - to:
  - Understand the drivers of trust from the public's perspective and to think about how they can address these within their own businesses.
  - Engage with the social, political, economic and technological challenges that are impacting on trust and which the City will need to address to sustain business performance over the longer term.
  - Build the skills and understanding that will support more effective communications with the public on the role of the City and its contribution to society.
  - Build a first-rate peer network from across the sector and work with the City of London's unrivalled network of senior stakeholders.
- We will publish a research paper in 2018 which will share with business the findings obtained from the focus groups that were carried out.
- However, there is no quick fix to achieve this goal.
- We need to make sure that transparent and responsible business practices are at the heart of how the financial and professional services sector operates.
- We are not aiming to create more targets and standards for businesses, but to encourage inclusive leadership and long-term culture change.
- We also need to make sure that City businesses better reflect the society they operate in.
- Our research in 2017 found 87% of business people in the City surveyed didn't think that their company's efforts on diversity and inclusion were having any impact at all.<sup>1</sup>

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<sup>1</sup> City of London Corporation, Unleashing the Power of Diversity 2017

- The City's continued success is based on the recruitment and retention of the brightest and best – regardless of background. Those companies that have clear purpose and align with changing values are the ones which attract talent.
- We also recognise that the sensitive issues of pay and employee engagement often have a negative impact on how the sector is seen – and we know this will be one of the biggest issues that we need to address.
- The financial and professional services sector has a responsibility to provide stability and continuation of service to the best of its ability after Brexit. The City wants to uphold current regulatory standards that sets it out as standard bearers across the globe.
- The attractiveness of London and wider UK as a destination for the establishment of international businesses and markets has a strong provenance in the reliable and consistent regulatory system we have.

## KEY FACTS

- The 2017 Edelman Trust Barometer reported the largest ever decline in trust across the institutions of government, media, NGOs and business.
- Globally, only 52% of people trust business, 43% trust the media and 41% trust governments.<sup>2</sup>
- In addition, trust in the financial and professional services sector remains low.
- While it has improved globally in the last five years - up 11 percentage points to 54%<sup>3</sup> - in the UK Brexit uncertainty, fears over job losses and corporate relocation continue to undermine public sentiment.
- The public's rating of UK banks' performance across a number of targets reached a low of 29% in 2013.<sup>4</sup>
- Also in 2015, only 36% of UK consumers stated that they had trust in financial services firms.<sup>5</sup>
- The industry, however, is a national asset and it employs over 2.2 million people right across the country.
- The financial services sector accounts for £72.1bn in tax revenues.
- In 2015, it accounted for nearly 11% of UK gross value added – more than one and a half times its share of employment (7%).
- Two-thirds of these jobs are found outside of London right across the country from Bournemouth to Edinburgh. Nor is the sector populated solely with large global companies.
- Previous and current financial services reforms include:
  - **Independent Commission on Banking** was a government inquiry looking at potential reforms (structural and non-structural) to the UK banking sector to promote financial stability and competition following

<sup>2</sup> Edelman Global Results 2017, 10

<sup>3</sup> Edelman Trust Barometer Financial Services 2017, 22-23

<sup>4</sup> Edelman Trust Barometer 2013, 23

<sup>5</sup> Financial Services Compensation Scheme and Warwick Business School, Mind the Gap: Restoring Consumer Trust in Financial Services, November 2015, 5

the financial crash. It published its final report and recommendations in September 2011.

- **Parliamentary Commission on Banking Standards** was appointed by both Houses of Parliament to consider and report on the professional standards and culture of the UK banking sector and to make recommendations for action. The final report 'Changing banking for good' was published in June 2013.
- Legislative and regulatory reform via the **Financial Services Act 2012** (significantly reforming UK financial services regulation and implementing a number of the recommendations coming out of the Independent Commission on Banking) and introduction of the **Senior Managers and Certification Regime** (to improve accountability for individuals working in financial services).
- Creation of the **Banking Standards Board** (BSB) which was a recommendation of the Parliamentary Commission's Report to promote high standards of behaviour and competence across UK banks and building societies. The BSB began its work in April 2015.
- **Fair and Effective Markets Review** was a comprehensive and forward-looking assessment of the way fixed income, currency and commodity (FICC) markets operate led by the Bank of England and co-chaired by the FCA and HM Treasury. A final report was published on 10 June 2015 and the FICC Markets Standards Board was created on the back of the report.
- Bank of England's **Open Forum** was launched in 2015 to discuss key issues concerning the future of financial markets, bringing together all stakeholders in FICC markets.
- Bank of England's **Future Forum** which was launched in 2016 as an annual event held by the Bank of England to bring together a wide range of views in order to discuss the Bank's role in serving society.
- **Open Banking** is an initiative launched by the Competition and Markets Authority following an investigation into the retail banking market with the aim of creating software standards and industry guidelines to drive competition and innovation in UK retail banking, putting "the trust of the customer at the heart of its planning and production".

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<b>Committee(s)</b>	<b>Dated:</b>
Policy & Resources Committee	04/01/18
Public Relations & Economic Development Sub-Committee	04/01/18
<b>Subject:</b> Quarterly Activity Update October-December 2017	<b>Public</b>
<b>Report of:</b> Director of Economic Development	<b>For Information</b>
<b>Report author:</b> Alex Greaves	

## Summary

The following report provides Members with highlights of the key activity undertaken by the Economic Development Office (EDO) between October and December 2017. In the context of Brexit, EDO continues to promote the priorities of the FPS industry energetically, making the strongest possible case to UK and EU policymakers on the areas of trade, transition and talent. This work will be supported by the expansion of the City Office in Brussels. This quarter, EDO has also delivered an ambitious programme of wider international engagement, with high profile visits to the USA, Saudi Arabia, Greater China, India and Israel focusing on areas such as cyber, Green Finance, investment and future trade. This was complimented by engagements with UK partners in Scotland, Northern Ireland and Manchester. EDO also published the 10<sup>th</sup> edition of the 'Total Tax' report (highlighting the importance of the FPS sector to the UK economy) and the 'Value of Fintech' report, which set out recommendations for the UK to retain its pre-eminence in Fintech. The launch of the 'Business of Trust' programme was another significant success over this quarter, along with ongoing work around social mobility and enterprise. Members of the Policy and Resources Committee and the Public Relations and Economic Development Sub Committee are asked to note the update.

## Main Report

### Competitive Economy

#### *EU Market Access*

1. Following receipt of the Court of Common Council's approval to expand the Corporation's Brussels Office, work has been underway to put this into practice. We are in the process of recruiting to the Managing Director role and offers have been made to applicants for the three more junior roles.
2. The Regulatory Affairs team continues to promote the industry's priorities for a future relationship between the UK and the EU: trade, talent and transition. This work has focused on amplifying the voice of the sector as expressed in the International Regulatory Strategy Group's (IRSG) report on financial services market access after Brexit, in line with the December report to PRED

on promoting the City's voice. This has involved supporting the Chairman of Policy and Resources and the Chair of the IRSG in addressing several public events, as well as direct meetings with UK and EU policymakers and regulators.

3. Jeremy Browne, the Special Representative to the EU, has continued his programme of EU engagement, visiting Italy, the Netherlands, Hungary, Cyprus, Slovakia, Spain, Germany and Brussels, as well as engaging with partners in London, Belfast and Jersey. This engagement has been in conjunction with the work surrounding the IRSG market access report.

### *International Market Access*

4. We organised and supported the Chairman of Policy and Resources' visit to the United States in November, meeting a range of political and industry contacts in Washington and New York. This visit was followed up with media and industry briefings, as well as letters to the Chancellor and the Secretary of State for International Trade. Both expressed their appreciation.
5. We have also continued to work with HMG and Commonwealth organisations to develop the agenda for the Commonwealth Business Forum to be held at Guildhall and Mansion House ahead of the Commonwealth Summit in April 2018. This will offer an opportunity to engage with senior partners from Commonwealth countries in support of the City's policy priorities including promoting the UK's FinTech, insurance and legal services sectors.
6. The Special Adviser for Asia has made multiple visits to the Corporation's primary markets. In China, she supported the Chairman of the Policy and Resources Committee's participation in the UK-China 9<sup>th</sup> Economic and Financial Dialogue, led by the Chancellor, and supported the Chairman in Hong Kong, Shenzhen and Beijing for meetings with government and industry. In India, the Special Adviser spoke at the ASSOCHAM National Conference about insolvency and held meetings in Delhi, Mumbai and GIFT City with support from HMG. She represented the City of London and Green Finance Initiative in the UK-Taiwan Green Finance mission, organised by the British Office in Taiwan.

### *UK Regulatory Framework*

7. The IRSG launched its paper on 'The architecture for regulating finance after Brexit'. The report argues the UK will need to update its regulatory structure for financial services to ensure the system remains proportionate, coherent and fit for purpose. Its four main areas of recommendations for review following the return of EU regulatory powers to the UK are:
  - The powers and resources of UK regulators.
  - Framing the responsibilities of regulators to ensure regulation continues to be at the forefront of global standards while also remaining flexible and adaptive to market needs.
  - The scrutiny and oversight of regulators, how they interact with Parliament, key stakeholders and the public.

- The legislative and regulatory process, as well as an assessment of areas for consolidation and simplification.

## **Responsible Business**

### *Cultivating Trust*

8. The City of London Corporation's 'Business of Trust' initiative was launched by the Lord Mayor on 16 November, where the Lord Mayor and Policy Chairman were joined by the Rt Hon Lord Henley, Parliamentary Under Secretary of State for Business, Energy and Industrial Strategy, and 200 business leaders from across the financial and professional services sector. The initiative is designed to make a positive difference to public levels of trust in the sector. The programme is based on fresh research into public perceptions of financial services and a set of guiding principles which distil existing efforts in this area and provide a shared starting point for the work. The Corporation's work will focus on: inspiring business to operate with integrity and grow their positive impact, supporting businesses and their leaders to meet tomorrow's challenges, and working with partners to build trust in business.

### *Attracting Talent and Building Skills*

9. During the autumn we hosted our Apprenticeships in the City programme, a series of workshops on apprenticeships targeted at banks and asset management companies. Fourteen businesses completed the programme (which was run in partnership with National Skills Academy for financial Services, City HR Association, Investment 2020 and TechPartnership) of which eleven are intending to recruit an apprentice in 2018. The programme highlighted some of the challenges faced by smaller employers in securing a training provider for apprentices. We are continuing to support smaller companies to create cohorts and co-commission training and are working on ways to deliver elements of the programme to other businesses for 2018.
10. As part of our sponsorship of the Social Mobility Employer Index for 2017 we have hosted a series of workshops to help companies learn 'what works' in terms of increasing social mobility in their organisations. The workshops, attended by representatives from over 100 businesses, included topics on data, 'judging potential not polish' and progression and speakers included practitioners from top firms who performed well in the Index in 2017. The opportunity for companies to apply for the 2018 index have recently been opened and so far, 136 organisations have expressed an interest in applying, an increase on 80 interested organisations this time last year.

### *Supporting Enterprise*

11. We have worked with Tech London Advocates to develop a programme of activity as part of continued City Corporation sponsorship in 2018. Key deliverables include a series of focused roundtable discussions with tech founders on key areas of interest to the City Corporation, which could include

fintech, cyber, digital skills and diversity, all in the context of scale-up enterprises.

12. A delivery partner has been appointed to run a pilot 'pre-accelerator' programme in early 2018 to support female entrepreneurs from Black, Asian or Minority Ethnic (BAME) backgrounds running businesses with high growth potential.

### *Thriving City*

13. The Corporation uses Section 106 planning obligations to ensure commercial development in the City supports local employment and businesses in the City and in our fringe boroughs. Over this last quarter, we have had confirmed encouraging figures for 2016/17 on the results of our Section 106 work:
  - 85 separate contracts were placed and £49m spent with 78 local SMEs;
  - Local employment on construction sites in the City amounted to 11.23% of the total employment and 48 apprentices and 24 work-experience students were employed on City sites;
  - 53 unemployed residents were supported into work through support funded by Section 106 cash contributions;
  - There were 80 workshops with schools and 2,250 school students engaged in work-related learning activities that give greater insights into working life and careers choices.

### **Innovation Hub**

#### *Green Finance*

14. The recommendations of the City of London's Green Finance Initiative and its Chinese counterpart the Green Finance Committee's first interim report, featured extensively in December's 9th UK-China Economic Financial Dialogue. As part of the 2018 programme, the Green Finance Taskforce, with support from the People's Bank of China, HMT and Bank of England as well as other Chinese and UK actors, will:
  - Lead the discussion on voluntary guidelines on green Belt & Road investment.
  - Research measures to promote green asset securitisation.
  - Conduct pilot products consistent with the Task Force on Climate-related Financial Disclosures (TCFD).
  - Promote analysis to demonstrate a positive correlation between ESG and financial performance.
15. The City of London is the joint secretariat to the government-led Green Finance Taskforce which launched in September of this year. The taskforce is on track to deliver actionable recommendations covering retail, commercial, capital markets, institutional investors, venture capital and insurance, come its six-month deadline in March 2018.

## *Fintech*

16. In October, we published the Value of Fintech report, produced in partnership with KMPG. The key recommendation from the report was for industry and government to pursue a Fintech sector deal, and we offered to help convene the industry to support that. The aim is for a public announcement in early 2018.

## *Cyber*

17. In line with the Corporate plan, current EDO work streams, and following on from the Chairman's trip to Tel Aviv at the end of October we are continuing to develop the cyber security strategy. We have been working with wider internal teams and external organisations to feed into this. We are looking to develop our offering in cyber security as well as work with these external stakeholders to enhance the cyber security ecosystem in London. We are looking to focus on skills, market growth and guidance and advice dissemination.

## **Global Ambition**

### *Foreign Direct Investment*

18. The Export and Investment team have been working with London and Partners to co-manage and support delivery of new investment projects into London from global markets in financial and professional services. This has included successful landing of innovation hub for Japanese Mega bank, MUFG.

### *Retention and Expansion*

19. The Export and Investment team have been developing new co-ordinated and actively managed relationships with key financial and professional services investors in London and potential exporters from the UK. We now have 80 active relationships.
20. We have operationalised our regional strategy through visits to the regions, events and meetings with key stakeholders including MIDAS in Manchester and Scottish Enterprise in Scotland. We have put together a plan for each of the regions which includes visits, events, and account management of key accounts which our partners in the regions recommend.
21. The late Lord Mayor had very successful visits to the Northern Powerhouse and both Ireland and Northern Ireland on which we are now building our regional strategy. The current Lord Mayor will be visiting all three of our priority regions during his tenure, including Scotland (Edinburgh) in January. We have organised both a Manchester event which will be held in the Guildhall on 24th January in partnership with MIDAS as well as a Scottish Asset Management dinner on 31st January in partnership with Scottish Enterprise.

## *Exports*

22. The Lord Mayor has had a successful visit to Saudi Arabia and the UAE with a focused agenda around the Public Investment Fund, supported by a core high level business delegation including State Street asset management and the London Stock Exchange. We are now preparing for the Lord Mayor's visit to Israel in January focusing on cyber security, and our first trade mission to Australia and New Zealand in February, focusing on Fintech and asset management as well as a second trade mission to China in March looking at the Belt and Road. We have secured Alastair Lukies, founding partner of Motive Partners and UK Fintech Ambassador, as our business champion for Australia and New Zealand and Sir Tom Troubridge, from PWC, for our China visit. We have put together market plan for each of our twenty priority markets which includes our plans for year round engagement with posts and strategic account management of businesses recommended to us on behalf on post.
23. We had successful investment conferences which we hosted at Mansion House as follow-up events for the visits to Algeria, Tunisia and Kazakhstan. Each event had a theme which we decided on in conjunction with post and our business delegation. The Algeria and Kazakhstan events were full day conferences which included a number of panel discussions and presentations with 100 attendees. The Tunisia event was a round table and reception with a group of 40 stakeholders where able to have an indepth and productive discussion about the market.

## **Research**

24. The team have started work on its long term research programme – 'Does place still matter' – to establish the role of place and the changing factors that attract and keeps workers and businesss to the city. The team have undertaken a series of interviews with key city firms and stakeholders and hosted two research roundtables, These have enabled the team to discuss the drivers of change currently at place in the City and the impact of this on businesses and the built environment. The first output from the programme will be a report and campaign for MIPIM, held in March in Cannes.
25. The team have also published the tenth edition of the Total Tax Contribution of UK Financial Services study. This high profile report was covered on the front page of City AM, and featured in the Financial Times. The team (with PWC) also briefed key Civil Servants at DIT, Cabinet Office, HMT (Tax and Exiting the EU teams) and DExEU, with the reports findings also picked up in parliamentary references from Robert Neil and Nicky Morgan.

## **Recommendation**

26. Members are asked to note the content of the report.

## **Annexes**

Annex 1 – Value of Fintech Report

Annex 2 – Total Tax Report

**Alex Greaves**

**Senior Business and Policy Officer, Economic Development Office**

[Alex.greaves@cityoflondon.gov.uk](mailto:Alex.greaves@cityoflondon.gov.uk)

0207 322 316

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