



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

Date: TUESDAY, 7 MAY 2019

Time: 3.00 pm

Venue: COMMITTEE ROOMS

Members: Simon Duckworth
Christopher Hayward
Jeremy Mayhew
Deputy Catherine McGuinness
Alderman William Russell
Deputy Tom Sleigh
Sir Michael Snyder
Alderman Sir David Wootton
Vacancy – *Policy & Resources representative*
Vacancy – *Policy & Resources representative*
Vacancy – *Policy & Resources representative*
Vacancy – *Policy & Resources representative*
Vacancy – *Policy & Resources representative*
Vacancy – *Co-opted Member*
Vacancy – *Co-opted Member*
Vacancy – *Co-opted Member*
Vacancy – *Co-opted Member*

Enquiries: Emma Cunningham
emma.cunnington@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 7 March 2019.
For Decision
(Pages 1 - 6)
4. **ELECTION OF CO-OPTED MEMBERS**
To elect four co-opted Members from the Court of Common Council.
For Decision
5. **FINAL DEPARTMENTAL HIGH-LEVEL BUSINESS PLANS 2019/20 - COMMUNICATIONS & ECONOMIC DEVELOPMENT OFFICE**
Joint report of the Town Clerk, Director of Communications and Director of Economic Development.
For Information
(Pages 7 - 14)
6. **EDO UPDATE**
Report of the Director of Economic Development.
For Information
(Pages 15 - 60)
7. **CORPORATE AFFAIRS UPDATE**
Report of the Director of Communications.
For Information
(Pages 61 - 64)
8. **PARLIAMENTARY TEAM UPDATE**
Report of the Remembrancer.
For Information
(Pages 65 - 68)
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

11. **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.

For Decision

Part 2 - Non-Public Agenda

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 7 March 2019.

For Decision
(Pages 69 - 70)

13. **NON PUBLIC NOTE OF THE PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB COMMITTEE AWAY DAY**

To note the non-public note of the Public Relations and Economic Development Sub Committee Away Day, which took place on Tuesday 2 April 2019.

For Information
(Pages 71 - 74)

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**

This page is intentionally left blank

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

Thursday, 7 March 2019

Minutes of the meeting of the Public Relations and Economic Development Sub (Policy & Resources) Committee held at the Guildhall EC2 at 10.00 am

Present

Members:

Deputy Catherine McGuinness (Chairman)	Jeremy Mayhew
Deputy Keith Bottomley	Alderman William Russell
Tijs Broeke	Deputy Tom Sleigh
Deputy Edward Lord	James Tumbridge
Andrew Mayer	Alderman Sir David Wootton

In attendance:

Karina Dostalova
Alderman Prem Goyal

Officers:

John Barradell	- Town Clerk & Chief Executive
Paul Double	- Remembrancer
Nigel Lefton	- Remembrancer's
Damian Nussbaum	- Economic Development Office
Giles French	- Economic Development Office
Bob Roberts	- Communications
Eugenie de Naurois	- Communications
Sanjay Odedra	- Communications
Sam Hutchings	- Communications
Carolyn Dwyer	- Department of Built Environment
Ian Hughes	- Department of Built Environment
Vic Annells	- Mansion House & Central Criminal Court
Emma Cunningham	- Town Clerk's

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Simon Duckworth, Sir Mark Boleat, The Rt. Hon the Lord Mayor Alderman Peter Estlin, Anne Fairweather, Sophie Fernandes and Christopher Hayward and Jamie Ingham Clark.

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 Tuesday 5 February 2019 be approved as a correct record.

The Policy Chair highlighted the social media training that would directly follow the meeting. Members noted that the City Corporation's LinkedIn account was being developed further to be more effective.

4. **OUTSTANDING ACTIONS**

Members received an outstanding actions report of the Town Clerk.

RESOLVED, that:

- The report be noted.

5. **EDO MONTHLY UPDATE**

The Sub-Committee received a report of the Director of Economic Development providing Members with highlights of the key activity undertaken by the Economic Development Office (EDO) in February 2019.

The Policy Chair announced to Members that the new Managing Director of Brussels Office, Nick Collier, officially started in his role earlier that week and that he would be speaking to Members at the Away Day and at a Member breakfast.

In addition, the Director of Economic Development highlighted the research '*Locate, create and innovate: London in a changing world*' that the City Corporation had undertaken in partnership with the City Property Association, and that would be promoted at the MIPIIM property conference next month.

A Member raised the issue of collecting Members' interests and expertise to ensure that Members were deployed appropriately and effectively for the City Corporation. The Policy Chair confirmed that work was being undertaken to look at better ways of capturing Members' interests and skills and involving them.

RESOLVED, that:

- The progress of the EDO workstreams be noted.

6. **PARLIAMENTARY TEAM'S UPDATE**

The Sub-Committee received a report of the City Remembrancer updating Members on the main elements of the Parliamentary Team's activity in support of the City Corporation's political and parliamentary engagements.

The Policy Chair and officers confirmed that this Sub-Committee received regular updates from the Remembrancer's Office on the 'meaningful vote' timings in Parliament.

A Member reported that she had attended a lunch with MPs at the Old Bailey that week, where those particular individuals had not been aware of what the City Corporation did. The Policy Chair noted this and explained that

engagement with MPs was being undertaken extensively but that there was perhaps further work needed to identify which MPs we should engage with first.

RESOLVED, that:

- The report be noted.

7. CORPORATE AFFAIRS MONTHLY UPDATE

The Sub-Committee received a report of the Director of Communications updating Members of the Corporate Affairs team's activities in supporting the City Corporation's strategic political engagement.

A Member asked for clarification on when Members passes would be booked for party conferences as the 'early bird' rate was only available for a limited time. Members heard how their passes would be booked after the Policy & Resources Committee meeting in April, once relevant appointments had been made, and co-opted Members after the May meeting of this Sub-Committee.

The Policy Chair requested that if Members were speaking with ministers in a personal capacity, that it is made clear that it is a personal engagement rather than an official meeting with the City of London Corporation. Members specifically discussed a ward event that the Economic Secretary to the Treasury had been invited to that morning. The Policy Chair took the opportunity to pay tribute to the Economic Secretary to the Treasury to his positive and ongoing engagement with the City Corporation.

A Member requested that quarterly reports against progress against departmental business plans be produced as well as more general updates.

RESOLVED, that:

- The report be noted.

8. RECOMMENDATIONS FOR 2019 PARTY CONFERENCES

The Sub-Committee considered a report of the Director of Communications concerning the top-line proposals for the 2019 party conference (Liberal Democrat, Labour, Conservative and SNP) season.

Members requested that they be usefully deployed across different events at party conferences on behalf of the City Corporation.

RESOLVED, that:

- The City Corporation continue to host events at the Liberal Democrat, Labour, Conservative and SNP party conferences;
- A set number of events tailored to each party conference, outlined below, be organised:

Liberal Democrat Party Conference, 14-17 September 2019, Bournemouth

- A City Corporation-hosted private roundtable in partnership with a think-tank, covering a policy area of relevance to the City Corporation.

- A City Corporation-hosted sit-down dinner of approximately 50 attendees with a select and focused guest list from the business, political and policy related sectors.

Labour Party Conference, 22-25 September 2019, Brighton

- A City Corporation-hosted private roundtable in partnership with a think-tank, covering a policy area of relevance to the City Corporation.
- A City Corporation-hosted sit-down dinner of approximately 65 attendees with a select and focused guest list from the business, political and policy related sectors.
- A partnership be explored with UK Finance for the sit-down dinner, as was the case in 2018.

Conservative Party Conference, 29 September – 2 October, Manchester

- A City Corporation-hosted private roundtable in partnership with a think-tank, covering a policy area of relevance to the City Corporation.
- A City Corporation-hosted sit-down dinner of approximately 100 attendees with a select and focused guest list from the business, political and policy related sectors.
- A partnership be explored with UK Finance for the sit-down dinner, as was the case in 2018.

Scottish National Party Conference

- A City Corporation-hosted private roundtable in partnership with an organisation.
- Bilateral meetings for the Chair of Policy and Resources.

9. LORD MAYOR'S SHOW 2019

The Sub-Committee received a joint report of the Town Clerk & the Director of the Built Environment concerning the Lord Mayor's Show.

RESOLVED, that:

- The report be noted.

10. ENHANCING SPORT ENGAGEMENT - PROGRESS UPDATE

The Sub-Committee received a report of the Director of Communications updating Members on progress being made in taking forward the City Corporation's new approach towards sport engagement.

The Director of Communications introduced the report and highlighted that the first event under the sports engagement work was the Cricket World Cup taking place in mid-March.

Members also heard how quarterly meetings were taking place with London & Partners and the Greater London Authority on the sports engagement work, with their interest particularly peaked in events supporting league sports from the US.

A Member reminded the Sub Committee of its request to encourage an assessment matrix as an important tool of prioritisation. The Director of

Communications updated Members that once the postholder was in role, this would be a task they would do. Members also heard it had been agreed that the Corporate Affairs team would remain responsible for this work.

Members discussed the power of sport to improve lives and encouraged officers to think more about the work that was being undertaken through open spaces, e.g. promoting youth teams. There was some discussion of the different pillars within sports engagement work such as community engagement, education and PR/networking. Additionally, a Member mooted the idea of a set of Freedoms being offered to volunteers across London boroughs who volunteer to encourage sport across the capital.

A Member noted that it was important for the sports engagement work to reflect the diversity aims of the City Corporation when planning support for major sport events.

It was also discussed on how important it was to support the London Youth Games as part of this work.

Additionally, Members asked for other committees, such as Open Spaces Committee and Community & Children's Services Committee, to receive updates on this work too.

RESOLVED, that:

- The report be noted and that the contents of the report be endorsed;
- Future updates be shared with Open Spaces Committee and Community and Children's Services Committee for information.

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

There were no urgent items.

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

Paragraph

3

14. NON-PUBLIC MINUTES

The non-public minutes and summary of the meeting held on Tuesday 5 February 2019 were approved.

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

A question was raised in respect of the following –

- Withdrawal (EU) Bill and the mechanism of extending it.

16. 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 10.44 am

Chairman

Contact Officer: Emma Cunnington
emma.cunnington@cityoflondon.gov.uk

Committee:	Date:
Public Relations & Economic Development Sub Committee	2 May 2019
Subject: Final Departmental High-level Business Plans 2019/20 – Communications Economic Development Office	Public
Report of: Town Clerk and Director of Economic Development	For Information
Report author: Sarah Blogg, Town Clerk's Department Mary Kyle, Economic Development Office	

Summary

This report presents for information the final high-level Business Plans for the Town Clerk's Department (Communications and Economic Development Office) for 2019/20.

Recommendation

Members are asked to note the final high-level Business Plans for 2019/20 for the Town Clerk's Department (Communications and Economic Development Office) and provide feedback.

Main Report

Background

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised high-level, 2-side Business Plans for the first time in 2017/18. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives for every department.
2. For 2018/19, departments were again asked to produce high-level plans in draft, which were presented to Service Committees in November and December 2017 alongside the departmental estimate reports, so that draft ambitions could be discussed at the same time as draft budgets. This represented the first step towards integrating budget-setting and priority-setting.
3. For 2019/20, to secure deeper Member engagement with Business Plans, a series of four informal 'cluster' meetings took place in early February to allow Chairmen and Deputy Chairmen of relevant approving Committees to scrutinise how departments are using their 2019/20 Business Plans to prioritise activities towards corporate goals. These meetings were chaired by the Chair and Deputy Chairman of Resource Allocation Sub Committee.

4. To complement this, and to give all Members a chance to ask questions and put their views to their Chairmen and Deputy Chairmen in advance of these meetings, a 'Business Plan Surgery' was held on 10 January (immediately before Court of Common Council).
5. Taken together, these sessions replace the submission of draft high-level Business Plans to Committees. Final high-level Business Plans are still subject to Committee approval, as in previous years.
6. Work has also taken place to review the content and format of the supporting detail beneath the high-level Business Plans. This includes: information about inputs (e.g. IT, workforce, budgets, property and assets); improved links to risk registers; EEE Health Checks (economy, efficiency and effectiveness), and schedules of measures and key performance indicators for outputs and outcomes. This is a key element in the move towards business planning becoming a joined-up service planning process that links directly to Corporate Plan outcomes.

Final High-level Business Plans for 2019/20

7. This report presents at Appendices 1 and 2 the final high-level Business Plans for 2019/20 for:
 - Communications
 - Economic Development Office

Communications

8. The Town Clerk's Department (Communications) reports to both the Policy and Resources Committee and the Public Relations and Economic Development Sub Committee.
9. The high-level summary Business Plan attached as Appendix 1 was developed in consultation with senior managers to outline the aims and activities of the Communications Team and ensure they are aligned with the Corporate Plan.

Economic Development Office

10. The Economic Development Office's contribution to the Corporate Strategy and role as the primary contributor to 'support a thriving economy' runs through everything that we do. As a result, the EDO Business Plan presented at Appendix 2 is completely aligned with the Corporate Strategy and our work helps to ensure that:
 - Businesses are trusted and socially and environmentally responsible (5).
 - We have the world's best legal and regulatory framework and access to global markets (6).
 - We are a global hub for innovation in financial and professional services, commerce and culture (7).
 - We have access to the skills and talent we need (8).
11. Our activities also contribute to a flourishing society (specifically ensuring that people are safe and feel safe (1) and that people have equal opportunities to enrich

their lives and reach their full potential (3)) and to shaping outstanding environments (specifically ensuring that we are digitally and physically well-connected and responsive (9) and inspire enterprise, excellence, creativity and collaboration (10)).

12. In preparing the Business Plan we identified three key challenges currently faced by UK FPS. These included not only Brexit, but also shifts in global trading patterns, evolving tech innovation and changes in public expectations. We then framed our work to meet these challenges including placing more focus on international trade and innovation, particularly with growing areas of interest in Green Finance, Cyber and Digital Skills which reflect the changing political landscape and technological developments which are taking place.

13. We continue to collaborate closely with a wide range of internal and external partners to increase the efficiency and effectiveness of our work. This includes working with a number of other internal departments as co-sponsor of the Digital Skills Strategy, promoting Cyber Griffin with the City of London Police and partnering with Mansion House to deliver a high impact and targeted overseas promotional programme. In terms of external relationships, this includes continuing to work closely with TheCityUK as co-secretariat for the IRSG and collaborating with government on a number of initiatives including to fund the Green Finance Institute and champion sustainable finance in the UK and abroad.

Conclusion

14. This report presents the final high-level Business Plans for 2019/20 for the Town Clerk's Department (Communications and Economic Development Office) for Members to note and provide feedback.

Appendices

- Appendix 1: Communications
- Appendix 2: Economic Development Office

Tom Conniffe

Corporate Performance Manager

T: 020 7332 3327

E: tom.conniffe@cityoflondon.gov.uk

This page is intentionally left blank

We coordinate and oversee all print, broadcast and digital communications of the City Corporation. We implement and oversee our corporate affairs programme. We publish a wide range of material. We act as a point of contact for filming in the City. **APPENDIX 1**

The corporate outcomes we aim to impact on are:

We aim to contribute to and support all 12 corporate outcomes

What we do is:

Media Team

Oversees all print, broadcast and digital communications of the City Corporation.
Promotes positive media coverage.
Provides expert advice on reputational issues.
Creates and delivers clear, consistent and confident messaging.

Corporate Affairs Team

Oversees the City Corporation's corporate affairs programme
Ensures the City Corporation continuously works in relevant partnership with other organisations and third parties
Delivers an effective political engagement programme which adds value and supports the City Corporation's priorities as well as the position of London and the UK as a world leader in international finance and business.

Publishing Team

Produces high-quality publications and digital communications
Assists departments to ensure their own communications are in line with corporate messages
Manages the City Corporation website
Manages all internal communications and intranet

Film Liaison Unit

Facilitates filming ranging from still shoots and documentaries to large scale feature films on the public highway in the City and on the City Corporation's private properties.

Our 2019-20 budget is:

Communications	£000
Media Team	1,181
Corporate Affairs Team	427
Publishing Team	498
Total net budget	2,106

Budget includes Film Team salaries, not Film Team income.

Our top line objectives are:

- To protect the City Corporation's reputation
- To deliver clear, consistent and confident public messaging across the City Corporation.
- To promote positive media coverage of the City Corporation
- To have coordinated political engagement activity across the organisation
- To remain relevant in the policy-making and political sphere
- To bring stakeholders together to discuss policy issues that affect them, and subsequently deliver on any desired outcome of that discussion.
- To keep staff up-to-date, engaged and informed of the City Corporation's activities
- To raise income through filming across the City
- To raise the profile of the City and London through filming

What we'll measure:

- The advertising value equivalent of the media coverage achieved by the Media Team, target for 19/20 is £14 million
- The interactions with the City Corporation website, target for 19/20 is between 2.7 and 2.8 million
- The readership of the City Corporation publications going to key stakeholders, Cityview magazine distributed to 21,000 key stakeholders, a further 3,000 downloads.
- The income generated for the City Corporation by filming in the City

What we're planning to do in the future

- Review filming protocols and processes so we actively promote the City and the City Corporation facilities as places for filming
- Improve the professionalism of our communications with the priority for the year ahead being to move ahead with the design and build of a new website
- Develop stronger messaging about how we support a diverse and sustainable capital and how we contribute to the 12 corporate outcomes in London
- Improve awareness of the importance of communications throughout the City Corporation and how communications can be used to enhance the reputation of the organisation

We help strengthen the City’s competitiveness as the world’s leading financial and professional services centre for the long term, so that the City continues to drive prosperity across London and the UK.

APPENDIX 2

The main corporate outcome we impact on is supporting a thriving economy:

- 5. **Businesses are trusted and socially and environmentally responsible.**
- 6. **We have the world’s best regulatory and legal framework and access to global markets.**
- 7. **We are a global hub for innovation in financial and professional services, commerce and culture.**
- 8. **We have access to the skills and talent we need.**

What we do is:

We partner with key decision makers and thought leaders in government and business to support a thriving economy and:

- i. **Reinforce Competitiveness** so the UK can compete internationally
- ii. **Support Innovation** for the future, including Fintech, Cyber and Green Finance.
- iii. **Foster national and international engagement** with deeper partnerships across the UK and a strong global programme for market access and trade promotion.

We deliver a coherent and well-targeted programme of high quality, effective research which amplifies the effect of wider work to achieve the objectives of EDO and the wider Corporation.

Our budget is:

	£’000
Staff costs	4,964
Travel	227
Fees	593
Premises	229
Other operational costs	839
Income	(83)
Total	6,769

Our top line objectives are:

Competitiveness

- **Purposeful business:** Champion trustworthy behaviours and positive business practices and ensure that the UK retains its position as a global leader in corporate governance
- **Global regulatory coherence:** Ensure that UK government and regulators are equipped to support the development of the international comprehensive regulatory platform
- **International Market Access:** Empower Corporation and FPS spokespeople to present coherent and aligned policy thinking to decision-makers in UK and EU capitals, international priority markets and across the FPS community
- **Promotion:** Preserve and promote London as the world-leading global centre for FPS, commerce and culture
- **China:** Maintain London as: (1) the world’s leading offshore RMB hub outside of Greater China; (2) a primary partner for China in Green Finance; and (3) a centre of excellence for Belt and Road project funding
- **India:** Promote London as: (1) a global fintech hub; (2) a preferred partner for resolving non-performing loans through Insolvency and Bankruptcy Code implementation; (3) a Green Finance partner with benefits for Indian FPS
- **Diverse talent:** Support the FPS sector to embed responsible practices to support attraction, progression and retention of diverse talent

Innovation

- **Innovation:** Enhance London’s position as the global hub for business innovation and support businesses to continue rolling out innovative products and services
- **Cyber:** Promote London as both cyber secure and as a key market for product and service innovation in cyber
- **Finance for Growth:** London is a global leader in providing finance for growth to high growth businesses
- **Green Finance:** Maintain London as the global centre for Green Finance
- **Digital skills:** Ensure FPS has access to the digital talent it needs to remain globally competitive

We will measure

80 per cent positive satisfaction rate on service delivery by Export & Investment and Asia Teams.

Securing 4 senior business champions and corporate partners for the 4 trade mission visits and 40 business delegates.

Infrastructure being used as part of the City Corporation’s international offer focused initially in 2-3 key Lord Mayor programme markets.

80% rating for IRSG as ‘good’ or ‘very good’ in an annual survey of Senior Public Affairs Leads of Financial Institutions about IRSG activity.

The City Corporation’s leadership on global regulatory coherence issues informs positions of UK government and regulators.

Positive website engagement figures for Promoting London website and

Engagement

- **UK FPS coordination:** Support the different organisations representing the City to be aligned and collaborate, with strong engagement with Government
- **Foreign Direct Investment, Expansion & Exports:** Deliver a high impact and targeted overseas promotional programme leveraging the City's world class FPS offer and City Corporation's ambassadorial role to create commercial outcomes in priority markets
- **Retention:** Retain existing top investors in the UK and support opportunities for new investment and expansion

To make a 2% budget saving, we are prioritising:

- Continuing close collaboration across EDO teams and with other departments to support efficient ways of working
- Continuing to seek external funding, such as partners and sponsorship, for individual projects where applicable
- Ensuring that the corporate and department goals are used to prioritise activities; in particular as a way of shaping new activities and reducing or discontinuing others, as well as evaluating vacant posts.

Within **CORPORATE PROGRAMMES** we will:

- Drive a step-change in how the Corporation manages relationships with business and support the integration of strategic engagement and events.
- Work with Mansion House on a high-profile programme of international visits to engage with business priorities
- Continue to provide high quality briefing, reports and statistical information to the wider Corporation and senior representatives, supporting the Corporation's Knowledge and Information sharing.
- Support the Corporation's Employability, Education, Digital Skills and Social Mobility Strategies
- Work with the CoL Police to deliver the Corporation's Cyber Security Strategy
- Drive forward EDO's internal responsibility commitments to diversity, opportunity and environmental responsibilities

engagement with and use of wider messaging.

Engagement from key HMG and Chinese RMB stakeholders leading to shared work.

Connect at least 5 Chinese financial institutions with London Green Finance programme.

Take up of GCA cyber products.

Practical demonstration of responsible and inclusive employment practices, e.g. LLW.

SMEI awards applicant numbers and improvement in performance.

- Feedback from EDO's stakeholders through surveys and other engagement
- Feedback from senior representatives on the quality of our support
- Engagement from key partners with our international visits
- EDO's responsible business targets

How we plan to develop our capabilities this year

- Embed the City's expanded Brussels operation to deliver a step-change in the Corporation's presence and reach with critical decision makers.
- Continue to strengthen strategic partnerships with HMG, FPS firms & other entities, embedding CityDynamics & a new approach to relationship management across EDO
- Develop strategic engagement plans for senior officers and representatives
- Develop our communication and promotion with a particular focus on ensuring that we are effectively communicating the work that we undertake
- Increase our engagement with non-EU stakeholders in Asia, the USA and in London to support macro trends (e.g. Belt and Road Initiative)
- Promote a clear vision for the role of EDO as part of the Corporate Plan and increase cross cutting work between the different teams and departments

What we're planning to do in the future:

- Work with the 'new normal' in Brussels: working with the sector to engage Brussels under the 'new normal' post-Brexit.
- Engagement with international regulators: increasing engagement with international regulators and work on stronger regulatory coherence to open up markets.

Committee	Dated:
Public Relations & Economic Development Sub-Committee	7 May 2019
Subject: EDO monthly update – March & April	Public
Report of: Director of Economic Development	For Information
Report author: Emily Howell	

Summary

The following report provides Members with highlights of the key activity undertaken by the Economic Development Office (EDO) in March and April.

Recommendation

Members are asked to:

- Note the progress of EDO workstreams.

Main Report

1. The Chair for Policy and Resources lead a visit to Beijing to attend the 2nd BRI Forum during 24-27 April 2019. The objectives of the visit were to promote London/UK's role as a natural partner for BRI. Promote the BRI Green Investment Principles jointly developed by the City of London and China's Green Finance Committee (Dr MA Jun); raise the awareness of the importance of inclusive and sustainable BRI. As well as, to promote UK's asset management sector for better market access and further collaboration with China on product innovation and QDII via meetings with CSRC and IAMAC.
2. During March and April, we supported the LM's visits to Scotland; China (Shenzhen, Shanghai and Beijing); Turkey (Istanbul); and Qatar. For all of these trips LM was accompanied by large and high-quality business delegations focused on strengthening relationships and offer current and future investors reassurance over Brexit and the future of the City.
3. The week commencing 29 April was UK Fintech Week. The week saw events take place across London and the UK to highlight and champion UK fintech. The Innovate Finance Global Summit, a two-day event hosted at the Guildhall opened the week and stakeholders such as HMT, DIT, London & Partners, Level 39, FCA and LSEG all hosted events that captured a large audience from across the UK ecosystem. The Corporation supported a DIT event hosted by the Lord Mayor at Mansion House highlighting Fintech Bridges. Policy Chair Catherine McGuinness participated in an event alongside Deputy Mayor for Business Rajesh Agrawal. EDO supported inbound delegations including from China, India and Latin America. On Thursday 2 May City of London hosted a Closing Reception in the Livery Hall; a networking reception for UK and international fintechs where Alderman William Russell gave opening remarks.

4. The Policy Chair hosted a seminar on Wednesday 27 March, in conjunction with IBDE (International Business and Diplomatic Exchange) focusing on the priorities of the current trio of EU Presidencies – Romania, Finland and Croatia. This will run from January 2019 – June 2020. Key areas of particular interest in the current Romanian Presidency are the strengthening of Economic and Monetary Union, Banking Union, removal of barriers to Capital Markets Union, reform of the functioning of the Single Market, cyber security, innovation and digitalisation, immigration and the development of the transatlantic partnership. There will also be a Summit in May to reflect on the Future of Europe, looking at the next ten-year period. The Romanians are keen to ensure a close relationship with the UK post Brexit.
5. The IRSG Standing Committee on Global Regulatory Coherence met at the Guildhall on Wednesday 3 April. At the meeting members discussed the Committee's International Engagement Plan and noted relevant background materials on the mandates, programmes of work and industry engagement mechanisms of key international organisations and global standard setters.
6. On 15 March the Lord Mayor launched this year's Leaders of Tomorrow programme: Leading the Digital City. 42 ambitious business leaders from financial, professional services and tech firms have been nominated by their CEOs to join the 2019 programme, which is focused around the Lord Mayor's theme 'Shaping Tomorrow's City Today'. The next programme session will take place in May, where participants will discuss digitally intelligent leadership.
7. The 32nd Lord Mayor's Dragon Awards closed for applications on 16 April. A wide range of applications was received and the shortlist will be announced in Mid-May.
8. The City of London Corporation partnered with The Government Equalities Office in 2018 to produce research from academics and senior business leaders on 'Women's Progression in the Workplace'. The actionable guidance was launched on March 27th, at a breakfast event at Guildhall, and drew on leading academics and practitioners from EY and CityHR for a panel discussion. The five key priorities for businesses listed in the Women's Progression in the Workplace products are: create an inclusive workplace culture, support progression for flexible and part-time workers, support career development, improve recruitment and promotion processes, and measure and evaluate policies that support diversity and inclusion.
9. On 5 March the London launch of a joint City Property Association (CPA) and City of London Corporation research report entitled Locate, Create, Innovate: London in a changing world took place. The event was held at Hub Hub, a new co-working space on Farringdon Street. The report was introduced by David Ainsworth, CPA President and Chief Executive of CORE and Alastair Moss, Deputy Chairman of the Planning and Transportation Committee. Dr Laura Davison, Head of Research at the City Corporation provided an overview of key findings, based on 65 in-depth interviews with London firms and a global poll of 459 business leaders. Technology is driving innovation across financial and professional services, and the City is a location of choice for business innovation. This was also followed by a launch of the report at the MIPIM international property fair in Cannes, 12-15 March.

10. Finally, the research team has also published an updated City Statistics Briefing. The City Statistics briefing looks at the City of London's role as a global business hub for financial and related professional services. It provides facts and figures about employment and firms located within the City, as well as highlighting some recent changes to the City as a workplace.

Appendices:

1. Women's Progression in the Workplace – Infographic
2. Women's Progression in the Workplace – Action Note
3. Locate, Create, Innovate: London in a changing world
4. The City Statistics Briefing

**Emily Howell | Executive Office
Economic Development Office**

emily.howell@cityoflondon.gov.uk | 020 7332 3600

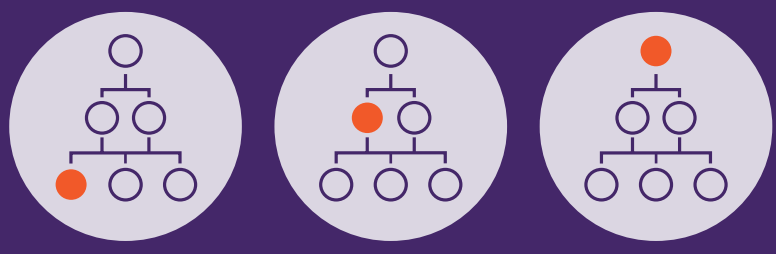
This page is intentionally left blank

Women’s Progression in the Workplace






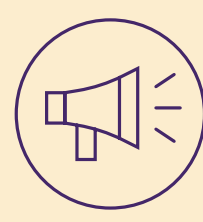




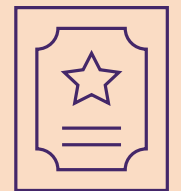



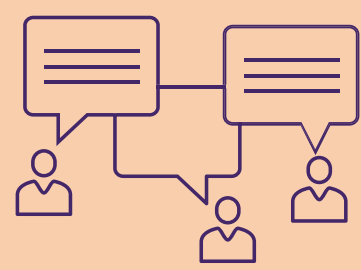
One of the drivers of the gender pay gap is that women are not progressing in the workplace as fully as their talents would allow.

Improving, measuring and evaluating your recruitment, promotion and talent management processes; supporting part-time workers; and creating an environment where women feel that they fit and belong, can enable women to progress.

By taking steps to support women in your organisation to progress, you can make the best use of their skills and experience, help to attract and retain talent, and improve productivity and performance.



Evidence suggests that these actions can support women in your organisation to progress and help to close the gender pay gap.

CREATE AN INCLUSIVE CULTURE		PROGRESSION FOR PART-TIME WORKERS	
<div></div> <div>Make senior leaders accountable for addressing the barriers to women’s progression.</div>	<div></div> <div>Create and communicate guidance on the positive and inclusive behaviours everyone in your organisation is expected to demonstrate.</div>	<div></div> <div>Highlight managers and senior leaders who work part-time.</div>	<div></div> <div>Normalise part-time working and job-sharing for male employees.</div>
<div></div> <div>Senior leaders should role model positive and inclusive behaviour.</div>		<div></div> <div>Clearly advertise that part-time working and job-sharing is available, particularly in senior roles.</div>	<div></div> <div>Provide training to line managers on how to support employees who want to work part-time and progress.</div>
SUPPORT CAREER DEVELOPMENT		IMPROVE RECRUITMENT AND PROMOTION PROCESSES	
<div></div> <div>Implement standardised performance management processes that consider both performance and potential.</div>	<div></div> <div>Regularly review work allocation based on workload, skills, experience and potential.</div>	<div></div> <div>During recruitment, be specific about the skills and experience that are relevant to the role.</div>	<div></div> <div>Implement clear and transparent recruitment, reward, and promotion processes.</div>
MEASURE AND EVALUATE POLICIES TO SUPPORT DIVERSITY AND INCLUSION			
<div></div> <div>Provide training to line managers on how to provide high quality feedback, and support those with high potential.</div>	<div></div> <div>Set specific, time-bound objectives for diversity and inclusion.</div>	<div></div> <div>Measure and evaluate policies and practices that support women to progress.</div>	<div></div> <div>Use name blind and skills-based recruitment and structured interviews.</div>

This page is intentionally left blank

What works to reduce the gender pay gap

Women's Progression in the Workplace Action Note

One of the drivers of the gender pay gap is that women are not progressing in the workplace as fully as their talents would allow.

Women are less likely to progress out of junior roles or into senior roles and are more likely to be overqualified for the role they are in.

Women are also more likely to work part-time, which is associated with limited pay progression, and can face structural barriers and bias during recruitment, appointment, reward and promotion processes.

Supporting women to progress can help to make the best use of their skills and experience, help to attract and retain talent, and improve productivity and performance.

Evidence suggests that the following actions can support women in your organisation to progress and help to close the gender pay gap.

- **Create an inclusive culture**
- **Support women's career development**
- **Progression for part-time workers**
- **Improve recruitment and promotion processes**
- **Measure and evaluate policies to support diversity and inclusion**

Create an inclusive culture

Women, ethnic minorities, disabled people and LGBT people can feel that they do not fit or belong in their organisation. This can lead to lower performance, lower work-life balance, lower ambition and higher intention to leave, despite them being equally as talented as other staff.

Creating an environment where all employees feel supported and valued could lead to better outcomes for your organisation and help retain talent and reduce turnover.

To create a diverse and inclusive workplace, you could:

- Ensure that senior leaders are accountable for addressing the barriers to women's progression and retention, and are open about what action they are taking.
- Senior leaders should role model positive and inclusive behaviour, such as working flexibly and sponsoring women with high potential.
- Communicate through line management and talent management processes that everyone has the potential to be successful in their careers and that those who want to progress will be supported to do so.



- Create guidance on the positive and inclusive behaviours everyone in your organisation is expected to demonstrate, and clearly define what behaviour is unacceptable and inappropriate. For example, when chairing a meeting, give everyone the chance to contribute to ensure that everyone feels that their opinion and expertise is valued, and support those who work flexibly by normalising dial-in and video-conferencing.



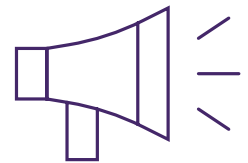
Support women's career development

Evidence shows that women aren't given the same opportunities and development support as men. Women are more likely to receive generic feedback and can be encouraged to behave in a more masculine way or focus on short-term skills development, as opposed to building networks and following long-term development strategies.

They are more often asked to undertake tasks that are resource or time intensive, such as organising staff events, but are not as valued in promotion processes.

Women and men who work flexibly or have caring responsibilities can find it hard to find time for learning and development or networking outside of working hours. Sometimes, women who have spent time out of work or work part-time are not given equal opportunity to take on challenging work or more responsibility.

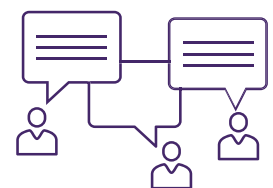
This can impact women's confidence and ambition, and mean that during reward and promotion processes, they can appear to have less experience or be less qualified.



Ensuring that women's talents and achievements are recognised and that they are supported to access challenging work, networking and development opportunities, can help them to progress.

To create a diverse and inclusive workplace, you could:

- Regularly review how work is allocated, based on workload, skills and experience, in order to support development and progression.
- Offer formal and informal networking opportunities during working hours.
- Ensure that sponsorship programmes are transparent, with clear and measurable aims and objectives.
- Be proactive in identifying employees with high potential, and support them by providing equal access to stretching work and sponsorship from senior leaders.
- Provide training to line managers on how to support people to progress by:
 - holding regular, formal conversations about career development;
 - allocating stretching and interesting work;
 - identifying and allowing time for learning and development opportunities to build experience, such as shadowing;
 - providing good quality feedback that recognises the individual's potential, and focuses on both improving technical skills and acquiring skills required for progression into senior leadership, such as strategic thinking.
- Implement standardised performance management processes, such as using a talent grid, to measure performance and potential, with guidance on what potential means, and clear criteria on the skills and experience required at each stage of progression.
- Link your performance management processes with reward processes to ensure that those who perform well are fairly rewarded for their performance.



Improve recruitment and promotion processes

When generic criteria are used in job advertisements, potential applicants can find it difficult to identify if they have the right skills and experience.

Traditional stereotypes of what characteristics “good leaders” should have, such as being assertive or having international experience, can disadvantage women during recruitment and promotion.

Informal and unstructured promotion and recruitment processes can lead to more bias in decision making, which can mean that the best candidates are missed. Once appointed or promoted, women are also less likely to negotiate their pay.

Ensuring there is structure and transparency to recruitment, appointment and promotion processes can reduce bias and increase the number of successful female applicants.

To improve your recruitment and promotion processes, you could:

- When advertising jobs, consider what specific skills and experience are relevant to the role and clearly state that flexible working is available where possible.
- Use name blind, skills and competency-based recruitment to ensure that the best-qualified individual gets the job.
- Where possible, clearly indicate that the salary is negotiable or provide salary ranges on job advertisements.
- Use structured interviews for recruitment and promotion. This means that, for a given role, all candidates are asked the same questions in the same order, and their responses are scored according to pre-agreed criteria.
- Implement recruitment, reward and promotion processes where individuals are considered based on their experience and performance by an independent panel.
- Base pay decisions on the individual’s skills and experience, not their previous salary.
- Ensure that pay negotiation, recruitment, reward and promotion processes are clear and transparent to employees. This means having standardised, formal criteria around performance and reward that employees understand.

Progression for part-time workers

Women who work part-time experience limited wage progression, and working part-time can sometimes be associated with negative perceptions about ability and ambition.

However, part-time workers can be ambitious, skilled and experienced, proactive and flexible in managing their workload, and committed to their career.

To support part-time and flexible workers to progress, you could:

- Highlight senior leaders, including men and those who are parents and carers, who work part-time, to bust myths around the ambition and abilities of part-time workers.



- Clearly advertise that part-time and job-sharing is available on job advertisements, particularly for manager and senior roles.
- Train line managers to support employees who wish to work part-time, including:
 - Support those moving from full-time to part-time - explore reallocating work to account for reduced hours and allocate work that reflects their skills and experience;
 - holding regular conversations about career development - ask if they want to progress and support them to do so;
 - ensuring they are able to access networking, and learning and development opportunities, at a time that is convenient for them.



Measure and evaluate policies to support diversity and inclusion

It is important to measure and evaluate your policies and procedures to support progression, in order to identify progress and address problems.

Setting specific, time-bound objectives that can be tracked will help you to achieve them. Openly publicising these objectives within your organisation lets your employees know that you are committed to supporting gender equality and encourages employees to work collectively to meet them.



To improve the implementation and evaluation of policies, you could:

- Set specific, realistic objectives for diversity and inclusion across your organisation to create leadership accountability.
- Measure and evaluate the take-up and effectiveness of policies such as flexible working and talent development programmes, to identify problems and bottlenecks.
- Use exit interviews to understand the reasons people leave your organisation, and use this information to inform your HR processes and diversity and inclusion strategy.
- Use your gender pay gap data to understand the causes of your organisation's gender pay gap.
- Develop an effective, targeted action plan that seeks to improve policies and practices across the whole of your organisation, including work-life balance policies, and recruitment, progression, talent management and line management processes.



The evidence for the actions in this report comes from the academic research contributed to the women's progression in the workplace theme of the Workplace and Gender Equality (WAGE) Research Programme.

For detailed sources, please contact geo.researchprogramme@geo.gov.uk





Locate, create
and innovate:
London in a
changing world

Contents

▼ Page 4-5

Foreword



▼ Page 6-9

Chapter 1:
Technology driving
innovation

Technology is fast transforming London's financial and professional services industries. We explore the new opportunities opening up – and business implications of this drive to innovate.

▼ Page 16-17

The enduring appeal
of face-to-face



▼ Page 10-15

Chapter 2:
Locating
talent

Competition to attract the best staff is intensifying as the demand for technological skills increases. We explore how businesses are attracting talent and what this means for their location decisions.



▼ Page 18-25

Chapter 3: Locate to innovate

To innovate, companies need to bring people together in the right place. We explore how companies are consolidating, clustering and co-locating to make this happen.



▼ Page 26-31

Chapter 4: Innovating in London

As technology drives new business models and ways of working, we explore what this means for London's offer as a location – and how London's competitive strengths support innovation.



Image: Projected image of the City's skyline by 2026, showing towers currently under construction or with planning permission.
Copyright City of London Corporation and GMJ

Foreword



Catherine McGuinness
Chair of the Policy and Resources
Committee, City of London Corporation



David Ainsworth
President, City Property Association

Technology is transforming London's cluster of knowledge-intensive jobs. Businesses are using digital expertise to revolutionise their operations, while new areas of opportunity are being developed by fintech companies and tech start-ups. It's no surprise that the tech sector in London is thriving, with jobs growing 31% in the last five years and London heading the rankings as the best performing large tech cluster in the EMEA. From our extensive engagement with businesses across London, it is clear that the rise of tech has accelerated the drive for innovation and the pace at which this happens – with business changing their ways of working accordingly.

As the nature of jobs is changing, businesses are bringing new types of talent into their business – with financial and professional services firms looking for software engineers, data scientists, and product development roles – skills for which there is increasing competition. Time and time again, firms highlighted access to top talent as one of the capital's unrivalled assets – with 60% of the workforce educated at tertiary level, and more software developers than any other European city.

Face-to-face interactions remain essential to driving innovation – enabling the exchange of complex ideas and collaboration. London's vibrant and densely connected urban environment supports these creative interactions, and enables fast-growing innovative ecosystems in places like Broadgate, Level39 and King's Cross.

In a fast-changing world, businesses highlighted that London's longstanding strengths remain essential – our global outlook, rule of law, access to talent, international connectivity, time zone and language. The depth and breadth of tightly clustered expertise, access to finance, and an enabling regulatory framework support talented entrepreneurs and businesses from around the world, helping them to innovate. London's future success depends on remaining ahead of the curve – this report shows what businesses are doing to make this happen.

Across all sectors, companies are using data and new technologies to drive growth and productivity. This report by the City of London Corporation shows that the rise of tech, perhaps counter-intuitively, is increasing demand for workspace that encourages human interaction.

City Property Association (CPA) members are seeing this demand on the ground. International businesses – and the talent they hire – are moving away from siloed floorplates to co-working hubs. They expect break-out spaces and off-site innovation labs to foster better communication and new thinking. And they are looking to be based in mixed-use 'campuses' in the heart of this global city, so that business meetings and investment deals can take place in coffee shops as well as board rooms.

The development cycle needs to be ahead of the curve and plan for London's future occupiers, and the City Corporation, along with other bodies, is working with the property sector to encourage the collaborative workspaces and attractive public environments of the future.

It is clear that the speed at which modern businesses are changing, and innovating, is a challenge that London is rising to. A global survey of business leaders for this report, by FTI Consulting, showed that London remains the number one location for global companies and revenue-generating innovation. Along with the perception of the ease of doing business, the survey showed that London is viewed positively in how it projects itself on the world stage, despite the challenges of Brexit.

You only have to look upwards to see the extraordinary pace of development. Innovative buildings like 22 Bishopsgate, a city in the sky designed for the future; 10 Fenchurch Avenue, with its generously appointed free-to-visit roof garden; and the reinvention of Broadgate. These sit alongside an increasing offer of cultural, leisure and retail experiences, historic buildings and emerging neighbouring districts, which all provide a unique ecosystem supporting a global and innovative city.

Technology driving innovation

The pace of digital change is spurring innovation across London's businesses – with far-reaching implications for the links between jobs and place

The world is changing at speed. New and fast-developing technologies are disrupting ways of doing business - opening up opportunities and challenging established operating models to adapt. What do these drivers of change mean for London and its world-leading cluster of financial services, professional services, and tech firms? How are these developments disrupting the link between jobs and place and changing firms' requirements for work environments? Which factors support the innovation critical to thriving in this changing world? And how are cross-cutting drivers of change – increasing globalisation, the imminent departure of the UK from the EU – impacting on London's evolving offer as a location for innovation?

To understand the business perspective on these questions, we talked to a cross-section of 65 property specialists and firms from across London – from large multinationals to fast-growing scale-ups, ranging across financial services, telecoms, law, and insurance. We brought together property professionals and fintech firms in a roundtable to debate how changing needs are shaping location decisions. In addition, FTI Consulting undertook a global survey for this report, capturing the views of international business leaders on innovation and place.





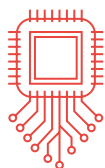
18%
rise in IT
professionals
employed by FPS,
2012-2017

► **Technology and innovation**

London has the biggest cluster of financial and professional services (FPS) of any global city.¹ And this concentration is critical, given the ways in which technology is transforming London's financial and professional services industries – and the increasing blurring of boundaries between sectors. Throughout our interviews, time and again we heard how, at heart, all businesses are becoming technology-driven. Landsec's Matt Flood went further: "The lines are blurred. Every business is becoming a technology business."

This was apparent when talking to businesses. Charles Talbot of Lloyds Banking Group highlighted that "over the last decade we have turned from a financial services firm with an IT department into a company with technology at the heart and centre of all we do, designing new products and improving the customer's experience across





Programmers and software development professionals were the second most sought-after occupation in London in 2017

Digital and all our channels." For Shilpa Bhandarkar of Linklaters: "Technology's going to affect pretty much every industry, and law is at the cusp." The rise of tech in financial and professional services is evident in the employment market, with the number of IT professionals employed by the sector seeing a 18% growth over the last 5 years alone. More broadly, programmers and software development professionals were the second most sought-after occupation in London in 2017, based on job postings.²

New opportunities have opened up as younger start-ups spot niches for new digital products and services. As Ghita Sqalli from fintech RedCloud put it: "We harness technology to look at innovative solutions to financial challenges including how you can use mobile payments in emerging markets to avoid issues with cash payments and address financial exclusion."

In turn, large businesses have been evolving their offer to remain relevant as customer needs change. "Incumbents realise that they need to be ahead of this curve," said Noorneet Singh of Deloitte. Financial services have increasingly become 'unbundled', as customers are choosing to buy a range of products from different - and new - providers. An individual might choose to exchange foreign currency using Monzo, bank their savings at Marcus, or make small investments at Moneybox, while holding a mortgage with Tesco. This is a step change from just five years ago when customers would typically get their services from a single provider – often a high street bank.

The rise of tech has, therefore, both heightened the need to innovate and increased the speed at which this is happening – for large and small, long-established and new businesses alike. As Charlotte Crosswell, CEO of Innovate Finance, puts it, "Banks recognise that both Big Tech - i.e the Googles and Amazons of the world - and fintech companies are coming to change the world they live in, and they therefore have to have the skill sets to succeed. Fintech has definitely accelerated that conversation."

Throughout this report, we look at the implications for London of this technology driven - and enabled - change resulting in the consequent drive to innovate, and consider the following questions:

- In a world where the boundaries between financial and professional services and tech businesses are increasingly blurred, what are the implications for the types of roles and talent that companies need?
- How does this affect the importance of place – office location and workspace – in how businesses compete for and attract top talent?
- How has the rise of technology changed companies' operating models – and has this made the physical location of jobs less important?
- How are companies driving innovation on the ground – and what does this mean in terms of where they choose to locate and co-locate?
- And, ultimately, how are these drivers of change both shaping and being shaped by London's offer as a global location for businesses and innovation?

¹ ONS, BLS, INSEE, Statistik Berlin Brandenburg, Tokyo Bureau of Statistics, SingStat, HK Census and Statistics Department.

² Emsi Labour Market Analytics. Growth rate based on data for 2012 and 2017.



Locating talent

As competition to attract people with technological skills intensifies, how are businesses attracting top talent?



In a world where there is ever less of a clear distinction between financial and professional services firms and tech businesses, what does this mean for the skills businesses need, and how do they bring the right people together in the right place?

New operating models and skills needs

Of course, the big financial services companies have long had substantial tech underpinnings – running large and complex trading systems and developing associated algorithms and software. But recent advances in technology are fundamentally changing the ways in which financial services firms work in a number of ways. Harry Badham of AXA Real Estate explained that there has been an opening up and disaggregation of operating models – a shift from keeping everything in house and developing proprietary systems to drawing on the wider ecosystem of businesses and talent to provide solutions: "It's gone from very large internal networks to a complete disaggregated open system of all sorts of businesses: in-house, out-house, joint ventures and partnerships." This has consequences for the skills that businesses need. Jeremy Gardner at JLL said: "You'll hear this over and over again, but banks, IT companies, and professional services are now all competing for the same people. Every job now is technology driven so it's not just technology companies that want to employ people who are technologically agile."

Alongside this, financial and professional services firms are themselves changing the ways in which they operate, employing models commonly used by tech firms. As Charles Talbot of Lloyds Banking Group said: "There are a lot of new roles that you will see come in as we move to a newer



operating model, where you've got scrum masters, product owners – the types of roles more typically associated with software firms and digital start-ups, such as Spotify." Similarly, Joanne Dewar, CEO from fintech GPS, told us: "Product development is done by scrum teams, which is a combination of analyst developers, testers, and project managers." These changes, in both the wider ecosystem and their own ways of working, are requiring FPS firms to bring new and different types of talent into their businesses. Charlotte Crosswell, CEO of Innovate Finance commented: "Banks recognise that big tech, fintech is coming to change the world they live in and they therefore have to have the skill sets there."

So, what skills are increasingly in demand? Alongside an appetite for tech and product development roles; customer design, data science and software engineers in particular were highlighted time and again. "We are creating over 2,000 permanent roles across the UK focused on software engineers, designers and emerging themes in data science and machine intelligence," noted Charles Talbot of Lloyds Banking Group. In addition, our roundtable with property and fintech firms highlighted the increased leveraging power of software developers given the demand for their skills.

The importance of tech skills for financial services is also backed up by recent stats, with London's financial services employing the largest share of IT professionals of all sectors outside computer programming.³

Locating for talent

Access to top talent is a key consideration in firms' location decisions and is not taken lightly. Big businesses like Deutsche Bank, Lloyds Banking Group and BT told us of the extensive considerations they'd put into reviewing their location strategies. "Who is training graduates with the right skills, where are they based, where's the destination of people from those universities, what is important for them in their career and workplace?" These are some of the key considerations, explained Charles Talbot of Lloyds. Adam Goldin of

CC Land has found that occupiers now consider the desirability of a location in terms of retaining staff. "Businesses do this by creating a great experience in the office, reinforced by a great place setting," he added.

For Anthony Impey CBE, the founder of Optimity: "London offers talented young professionals the chance to live, socialise and work with the most interesting players in their field, whether this is in robotics, data science or artificial intelligence." This creates a 'magnetic draw' that attracts talent. The result is that companies based here can enjoy a competitive advantage because they can hire the best. "We wouldn't move because we know we wouldn't get the talent," says Impey. "In the knowledge economy, access to talent is everything."

For a major insurer, the need to recruit a breadth of skills has reinforced the draw of London. "The best place to get individuals with the right skills is London. We need tech skills as well as the traditional insurance specialisms, and a London location is essential in offering us access to both."

London's appeal as a gateway to top talent is backed up by the most recent figures. Its workforce is highly skilled, with 60% of workers having tertiary education. And London attracts top tech workers from all over the world: 40% of the current tech workforce comes from overseas.⁴ The fact that the capital has been named the top city in Europe for international tech talent in 2018 for a second consecutive year is further testament to this.⁵

Nikolay Storonsky, CEO at the tech unicorn Revolut said: "Thanks to everything that London has to offer, I have been able to build one of the fastest-growing technology companies in the world. There is no doubt in my mind that London will retain its crown as the best city to build and grow a start-up."⁶

Designing for amenities

Locating in London offers access to a wide pool of skills – but the concentration of both major tech companies and start-ups, alongside the headquarters of global FPS



³ Emsi Labour Market Analytics, data for 2017.

⁴ ONS Annual Population Survey user request, data for 2017. Tech workers defined as those working in information and communications.

⁵ London & Partners, 2019 using latest figures from LinkedIn and Stack Overflow data.

⁶ London and Partners press release, 6th February 2019.

London's financial services employ the largest share of IT professionals of all sectors outside computer programming





firms, can mean that competition is fierce. "In the tech space, where you are going head to head with some of the most exciting companies in the world, agile working and the ability to create exciting workplaces play an essential role in making sure you attract and retain the right people", said Graeme Paton, Managing Director at BT. For firms considering their UK operations, this also means taking into account challenges such as concerns around London's affordability, in particular the cost of housing - and looking at which types of roles most benefit from being in London, and which elsewhere in the UK. But the attractiveness of London for globally mobile talent remains strong - FTI's global survey found that international tech professionals rated London the top world city in terms of standard of living.⁷

So what are companies doing to attract the right people? Our previous research highlighted the ways in which businesses and developers were investing significantly in their real estate offer, building amenities into the workplace, and designing workspaces to support health and well-being, as part of the drive to attract and retain top talent. A vibrant public realm, underpinned by a mix of amenities, adds to this appeal. Lucy Musgrave of Publica reflects that: "Many London neighbourhoods have a unique and extraordinarily complex mixture of infrastructure and inhabitants. Imagine a typical West End block - it would not be uncommon for it to house a combination of boutique shops, pubs, contemporary office space, small creative industries, highly desirable flats, social housing, ancient churches, fashionable restaurants or even a historic theatre or two."

This theme was reinforced, in recent interviews, as a key part of a company's offer. Derek Gilby of Legal & General Investment Management believes that having an attractive workplace is increasingly valued by professionals. "Twenty years ago, it was more about working for the best employer - location and type of work environment were low on the agenda. Now they're high on the agenda of professionals so employers and businesses recognise that. Now these things matter."

Of particular importance is the amenities and quality of working life that these

60%

of London's workers have tertiary education

workspaces offer - Karen Cook of PLP Architects emphasises these considerations as increasingly relevant to workspace occupiers. Joff Sharpe of British Land, who has been instrumental in developing their 'Storey' brand of flexible workspaces, describes their philosophy as "moving beyond seeing a building as an inanimate object and seeing it instead as a place that drives productivity, wellness and employer branding. More and more people are getting exposed to a high quality of working life, and increasingly they expect it" (see case study).

For John Robertson, of John Robertson Architects, amenity is the key driver of office design nowadays. He attributes the success of his work with co-working space providers Mindspace to the high-quality amenity offer built in: "They have really scored because amenity is part of the package." Lisa Webb of Gerald Eve noted that companies are now prepared to lose traditional office floor space in order to be able to create amenities such as breakout spaces, lounge areas and social space: "It's not all about the desk space anymore. It's more about different ways of working interaction, and swapping ideas."

⁷ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.



Image: British Land, Storey

CASE STUDY: Lloyds Banking Group 'Digital Workplace' programme

"Work is the thing that you do, not the place you go," says Jo Palmer, Group Property Director of Lloyds Banking Group. Their Digital Transformation Programme has been introduced to give professionals a greater degree of flexibility in their working lives by empowering them with the digital tools to work from a variety of settings. The ability to share documents and participate in virtual meetings allows professionals to adjust work to their lives, meeting needs of all generations of professionals.

However, the physical workplace has not lost its importance. It has instead become a place where relationships have been placed front and centre. Their refreshed London HQ is flexible enough to accommodate project teams and collaborative space. Kitchens have even been designed to encourage face-to-face interactions. "People meet there during the working day and this really helps break down barriers," says Milly Kiely-Horn of Lloyds Banking Group. "People tend to have five-minute chats rather than schedule one-hour meetings, so it helps with efficiency too."

Their London campus now offers a flexible setting for innovation rather than a place designed for 9-5 solitary work. This workplace transformation empowers professionals to perform at their best – an attractive proposition for skilled talent.

CASE STUDY: Storey

British Land's 'Storey' flexible space brand has been operating for less than two years, but in that time has become an important part of London's workspace landscape. Its distinctive approach prioritises the needs of the customer, rather than providing a one-size-fits all solution.

"Businesses realise they need to communicate what they represent through their office," says Joff Sharpe, Founder and Co-leader of Storey. Their workplace options are aimed at businesses with 20-70 workers – scale-ups for whom getting the right talent on board is essential. "There's been a great change in mindsets. People realise that the look and feel of a space is an important factor for professionals."

Firms at Storey can tailor the space to meet their needs – enabling them to use their workplace as an expression of their identity and values, something which would be difficult in a typical co-working space. The shift in generational expectations has reinforced the need for companies to be able to offer an attractive setting for employees. "Workplaces that deliver a good quality of life are increasingly in demand," says Sharpe. "Younger people in particular want to work in places where they know they'll be happy and productive."

The enduring appeal of face-to-face

Even in a technology-driven world, face-to-face contact remains critical for businesses building relationships and collaborating to solve problems. Proximity is crucial to knowledge-intensive firms who want to innovate.

"People get things done very differently face-to-face – I think it's absolutely fundamental to the psyche that people connect in person."

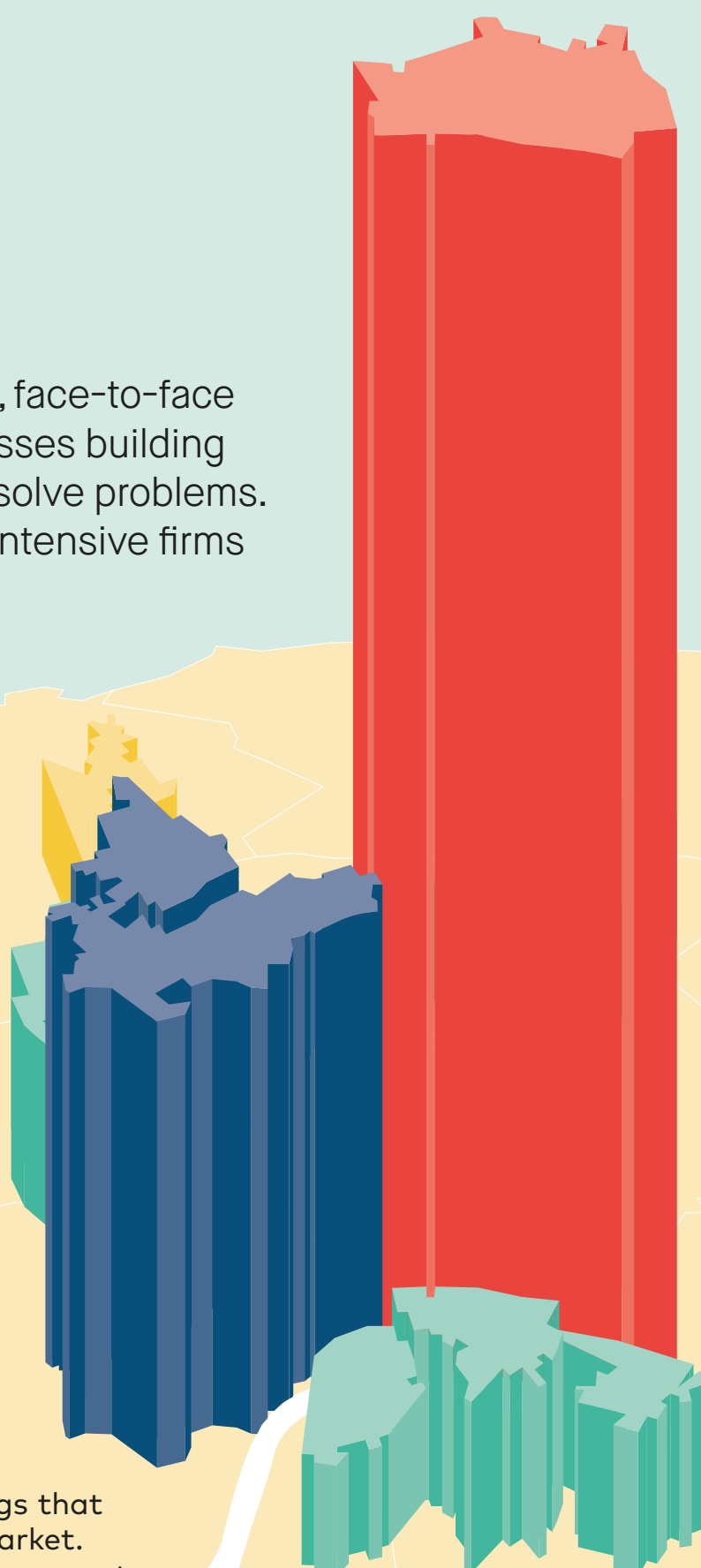
Harry Badham,
AXA Real Estate

"The ability to walk to a coffee shop and meet someone to talk something through is valuable. We like to do business face-to-face."

Derek Gilby,
Legal and General Investment Management

"There are so many face-to-face meetings that take place with a company coming to market. For them, it's a real benefit that they can come to London and have a lot of those conversations at the same time."

Tom Simmons,
London Stock Exchange Group



CASE STUDY: EIX

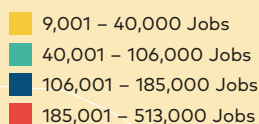
Estates and Infrastructure Exchange (EIX) is the world's first investment exchange that focuses exclusively on infrastructure as an asset class.

Their City of London office offers ready access to a broad range of specialist professions, "all the components we need for the exchange are within a ten-minute walk" says Caroline Haynes, Chief Operating Officer of EIX.

Face-to-face contact is crucial given the complexity of creating

an Infrastructure Bond. "It's not a simple structure" says Mark Worrall, Chief Executive of EIX, "You've got to have the technical knowhow. One of the world's largest engineering companies is across the road, and the lawyers are just around the corner." Proximity is an absolute prerequisite – "You need access to multiple professionals to create a Bond" reflects Haynes, "that requires hours of face-to-face meetings and you simply couldn't progress all of it via conference calls."

London's clusters of jobs – Jobs per middle super output area 2017



Source: Business Register and Employment Survey, 2017.

"Digital transformation will enable London Market participants to concentrate on what they do best – using face-to-face interactions to develop deeper insights into complex situations."

Adrian Thornycroft,
London Market Target Operating Model

"The depth of understanding that you get through face to face contact is very difficult to replicate. In times of global uncertainty, I think that can only help."

Charlie Walker,
London Stock Exchange Group

"We're close to the Bank of China and the Bank of England – it's an effective way to very quickly build up the relationship with your clients and your business partners."

Kelly Yang and Zhang Nai,
Shanghai Clearing House

Locate to innovate

Innovation means bringing the right people together in the right place – how are companies making this happen?



We have seen that as the business world becomes ever more driven by technology, the need for human interactions – face-to-face meetings and relationships – has become even more important, driving location decisions and ways of working. But how is this spurring innovation within companies? What interactions matter, and how are companies shaping these?

Consolidation for innovation

While technology may be enabling remote communication and flexible working, it's clear in central London that the office is anything but dead – and that new buildings are enabling hugely dense concentrations of

workers in complementary industries. The new headquarters of Amazon, Apple, Google and Facebook will together provide capacity for over 20,000 tech professionals – while three new buildings in the City of London's Eastern cluster will together house nearly 30,000 workers.

These dense concentrations aren't solely a consequence of firms clustering together. A trend emerging from a number of the largest firms we spoke to is a drive to consolidation – they are spatially concentrating and deliberately co-locating functions in particular places. Firms were very clear this wasn't simply a cost-saving measure – indeed companies are making

Image: British Land

⁸ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.

significant investments of time and energy to review the possible locations and configurations and to make sure they are getting the right people together in the right places – in buildings specially structured to meet their needs. These are highly strategic decisions, which signal the importance of getting the right types of people together to drive innovation and better ways of working.

What does this mean in practice for financial and professional services – in particular for big multinational firms employing tens of thousands of people across hugely varied jobs ranging from data analysts, software developers, and website designers to product development roles? For Deutsche Bank, it meant an opportunity to bring together staff from 21 London locations into 3 buildings to make their processes more efficient and innovative – and the benefits have been tangible (see case study).

For BT and Lloyds Banking Group this has been about bringing together functions, such as software and product development, to create and test new solutions more efficiently. Consolidation of these functions under one roof has enabled new ways of working. “Agile working is perfectly suited for the technology industry, allowing you to bring the right people together when you need them – which is crucial for the development of new technologies,” explains Graeme Paton, Managing Director at BT.

Similarly, for Lloyds Banking Group, their consolidation strategy has also centred around bringing multi-disciplinary teams under one roof, ensuring that people working across areas such as data analytics and software are brought together in person for short sprints to focus on challenges. As Charles Talbot – responsible for scaled agile transformation at Lloyds Banking Group – puts it: “The Transformation division at Lloyds is investing in both our people and property, bringing together networks of talent together in the same physical space to tackle problems collaboratively, build trust and work in new, more efficient ways.”

These approaches resonate across the industry more widely – FTI’s global survey showed that for financial services firms around the world, collaboration across and within business teams was seen as the most important factor in driving innovation.⁸



Three new buildings in the City of London will together house nearly 30,000 workers.”

CASE STUDY: Deutsche Bank’s consolidation strategy

Deutsche Bank has used a comprehensive review of their London footprint to rethink how they operate in a rapidly changing tech-enabled world. “We took the opportunity to be reflective of the change in financial services and new technology,” said Kathryn Harrison-Thomas, Business Partner at Deutsche Bank. “We took on board how we’re changing on a generational basis, looking at the evolving product mix and asked ourselves, just because the bank is like this today, will it be the same tomorrow?”

In order to facilitate more efficient and collaborative ways of working, and the adoption of new technologies, the Bank decided to bring together staff from 21 buildings spread throughout the City to just 3 key London hubs: one for its investment banking businesses; one for its infrastructure hub in Canary Wharf; and one for the asset and wealth management businesses in Victoria.

Consolidation enables Deutsche Bank to address shortcomings created by an unwieldy footprint. “By not having the right people co-located, it made control and oversight of complex processes more difficult. People have to do a lot more work when they aren’t aligned and organised effectively,” said Harrison-Thomas. Rethinking its real estate has allowed Deutsche Bank to design in more flexible spaces that respond to the changing world of work. “If it’s really functioning well, it’s a community. Paying attention to form and function helps to make their jobs easier, empowering them with technology enables them to be even better.”

This new consolidation strategy has yielded measurable results, proving that enabling collaboration and innovation pays off. A Leesman survey at Deutsche Bank’s Canary Wharf infrastructure hub and Victoria locations shows a +30 basis point improvement on previous scores, and a productivity increase of nearly a fifth. “We are building up an impressive empirical data warehouse in order to ensure our design evolves and improves with each location and for each business and work function,” said Harrison-Thomas.

Locate, create and innovate: London in a changing world



CASE STUDY: Linklaters Innovation Lab

Two years ago, Linklaters set up the Innovation Lab at their Central London HQ to drive entrepreneurship and innovation across their business. It's a creative space dedicated to ideation, problem-solving and collaborative working. "Innovation cannot happen in isolation. Key to its progress is the nurturing of a community that works collaboratively," said Sophie Mather, Partner and Global Co-Head of Innovation at Linklaters.

Informally known as 'the Lab', it is the nerve centre for Innovation and Efficiency (I&E) initiatives across the firm. A small central I&E team are permanently based in the Lab, alongside members of the fintech team and data scientists.

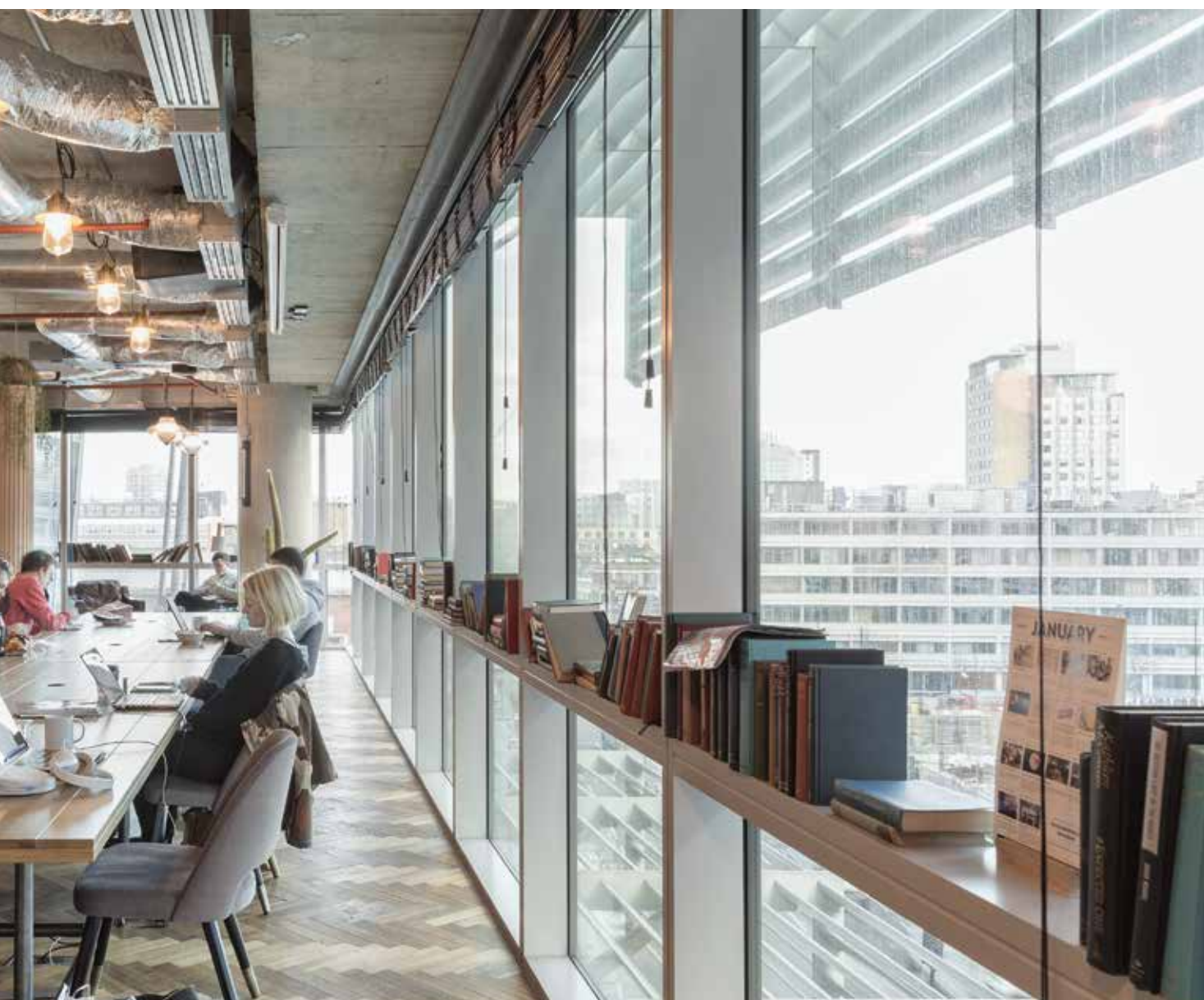
"The Lab intentionally looks nothing like the rest of the firm," said Shilpa Bhandarkar, Head of I&E. This tech-enabled space, kitted out with writable walls and large screens, is designed for multi-disciplinary brainstorming. The Lab has been used several hundred times in just the last 6 months for external speaker sessions, technology and product demos, and ideation workshops. Initiatives like the Coding Club originated in the Lab, and lawyer-designed product ideas like TechLinks and Chexcel emerged from brainstorming sessions.

The Lab's proximity to the thriving digital hub of Shoreditch enables innovative tech firms to showcase new products. "Start-ups come in and run demos for our lawyers and business teams, working through interesting cases in real time," explained Bhandarkar. The sheer diversity of the London start-up scene is also important. "It's not just LegalTech and fintech in the Silicon Roundabout," reflected Bhandarkar. "There's innovation happening all around, not least two-sided marketplaces, mental health and talent management, all of which are relevant to a business like ours. You can reach out and meet a wide range of entrepreneurial people and businesses easily."

The Lab has also enabled collaboration with academic institutions such as the University of Law. Liz Fletcher from the University commented that "having a vibrant and open space to work through ideas really helped with creative thinking. It's a great space to collaborate and co-create."



50%
of financial services firms
saw collaboration across
and within teams as the
most important factor
for innovation



Innovation spaces

Aligned with the move to consolidate and bring teams together to drive innovation, a trend for a number of companies we spoke to is the creation of bespoke spaces for innovation, often referred to as 'innovation labs'. These are dedicated spaces for people and teams to come together to develop and pilot new products and services – often very different in feel to the traditional office environment. For many companies, these act both as a way to bring together expertise from across the organisation as well as ideas from the outside in.

For Linklaters (see case study), their innovation lab acts as a focus for multi-disciplinary brainstorming and cross-fertilisation of different mindsets, bringing

together people from across their site of 2,500 employees along with external speakers, start-ups, students and visitors. Similarly, Lloyd's of London has recently opened its innovation lab within its Leadenhall Street headquarters, bringing in cohorts of start-ups to help pioneer new platforms, products and services in the transformation of Lloyd's into a digitally-driven market. Critically, both Linklaters and Lloyd's have thought very carefully about where to situate their labs to facilitate this cross-fertilisation. For Linklaters, it's near to their restaurants and shop, meaning it's easy for staff to drop in. For Lloyd's, the entrepreneurs are being located in the centre of the market to encourage conversations with market participants and customers.

Image:
JRA, Matt Livey



Locating for innovation

In a tech-enabled world, then, these human interactions between people with different skillsets remain critical for testing new ideas driving innovation. For many companies, this means thinking carefully about where they locate to ensure they can readily draw together the right mix of internal and external perspectives. Anthony Burnett-Scott of Macfarlanes observed: "If everyone worked remotely, people would miss out on the learning process. You learn by talking to people, you learn by observing behaviour, all of those things, you don't get if you're working from home."

For many big companies, this means locating near tech firms and start-ups, leading to mutually beneficial connections and clusters. Citigroup last year opened its innovation lab at WeWork Moorgate, a short distance from the Silicon Roundabout, focused on supporting Citi's Markets and Securities Services business globally through developing new solutions for clients using data science and visualisation, and high-performance computing.

For Santander, who've introduced an agile project delivery model into their Aldgate base, proximity and business connections are a crucial part of innovation, with cross-functional teams such as developers, legal, compliance, and product and market specialists coming together and gaining instant feedback from clients.

In addition to interactions with established financial services firms, fintech companies also emphasised that proximity to established tech firms can help to drive innovation. The fintech scale-up Neyber, who have recently moved to Broadgate, have found that being close to spaces like Google Campus has been an advantage. "Our UX and UI guys like being round the corner," explained Craig Kritzinger, CTO. "When they're working on a problem they can grab people they know and get their input." Interactions with tech firms and ultimately the use of tech more generally is seen by firms as a crucial driver of innovation. Results from the FTI 2019 business survey show that the usage

72%

of firms in financial, insurance and professional services referred to the usage of new technology as the key factor in determining whether a company is seen as innovative

of new technology is seen as the most important factor in determining whether a company is seen as innovative, by 72% of firms in financial services, insurance and professional services.⁹

Charlotte Crosswell, CEO at Innovate Finance, sees this clustering of financial services and tech as critical to ensuring innovation in London. "Having an ecosystem together has got to be by far the best opportunity we have - we have a very developed financial skills ecosystem here in the UK, and we've then got fintech companies. The learning that happens between bigger and newer firms is crucial - that's the best way for the sector to grow and to learn."



⁹ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.

In some cases, these ecosystems have grown organically – as key players such as Amazon and Google move into an area, other firms also look to move in. Dan Scanlon, Vice President of Development at Brookfield observes that “Amazon has created an environment that attracts smaller businesses to open up in close proximity.” Mike Wiseman, Head of Office Leasing at British Land, explained how their office space in Broadgate on the border of Shoreditch, Spitalfields, Old Street and the City is attracting small growing fintech businesses who want to be near the bigger firms. “They want to be next to the likes of UBS and SMBCs who, in turn, like being close to them. Then you add Mimecast next door and it all helps create an ecosystem.”

In other instances, particular attention has been paid to creating these ecosystems deliberately and strategically. Level39 has been created at Canary Wharf to explore synergies between established finance

multinationals and nimble young scale-ups (see case study). The presence of Google and Facebook at King’s Cross has been leveraged to create a burgeoning Knowledge Quarter, a partnership which seeks to maximise links between tech businesses and institutions such as UCL and Wellcome. Not only do firms benefit directly from the proximity in terms of the interconnections they can form, but they are also actively seeking out areas known to be innovative. “We were attracted to Level39 because it’s a tech hub,” said Ghita Sqalli, Head of Product Marketing at fintech scale-up RedCloud. “We’re all in the same space so we learn from each other.”

Creating innovative clusters

With the rising demand from firms to locate in areas that foster innovation, the property industry is increasingly playing an active role in creating these ecosystems – both through setting up the right kinds



Image:
JRA, Matt Livey



Image: Level39

CASE STUDY: Level39

Level39 has successfully created an innovative community of more than 1,000 individuals. In just over 5 years, it has risen to prominence as one of the most renowned tech communities in the UK. Founded in 2013 and based in Canary Wharf, Level39 provides support to fast-growing tech companies. It has now tripled in capacity and is home to 210 small companies – 140 of them working in fintech. The space also accommodates young businesses in fields as diverse as smart cities, retail technology, AI and blockchain. Many are achieving significant success – last year their member Revolut was valued at \$1.7 billion.

“We came about because we wanted that cross-fertilisation to happen between innovators and incumbents, and that’s exactly what’s happened,” explained Asif Faruque, Head of Content. Level39’s strategic position is a boon to large finance incumbents as well as smaller fast-growing firms. Established institutions and corporates can easily drop by and meet with innovative young businesses. “From the outset we wanted to make the most of proximity,” says Faruque. “Financial services players, especially the big banks, the big insurance firms and private equity are keen to be close to tech innovators, because this proximity will generate new ways of thinking and results in partnerships.” Digital opportunities have spurred on incumbents: “They’re looking towards innovation as a way to improve their offering, to improve stability, to improve efficiency. They know that they can’t do it all themselves all the time,” explains Faruque. Relationships are key to making this happen.

The design of the space is essential for facilitating this interaction. The large central café and lounge accommodates informal meetings, where, on any given day, you can find professionals from large corporates and institutions meeting entrepreneurs. There are also areas focused on learning – allowing the space to play host to regular presentations and workshops. Many sessions form part of Level39’s structured ‘curriculum’ which includes investor sessions, seminars and one-to-one business advisory meetings. These activities offer start-ups and scale-ups “a great opportunity to network with the wider ecosystem and the opportunity to learn from new people,” explained Faruque.

of property environments, and in curating the types of businesses that locate there. The importance of proactively getting this combination of conditions in place was one of the key themes to emerge from our roundtable with property professionals and fintechs.

Property professionals from British Land, Cushman & Wakefield, HB Reavis, and Helical, among others, emphasised what innovative younger firms want from a property, in particular a combination of flexible space and options with lease terms that can accommodate rapid growth. This flexibility, though, needs to sit hand-in-



hand with the level of stability needed for their infrastructure. As Craig Kritzinger, CTO from fintech Neyber highlighted: "I don't want to be moving every year. It's a problem from a security point of view and just moving the IT infrastructure, including cabling, is a nightmare."

Professionals from across the property industry see how they are increasingly playing a role in 'curating' tenants to create a compelling offer for tech firms, who want to be part of a community of innovators, as with Broadgate in the City of London and Level 39 in Canary Wharf (see case study). David Ainsworth, CEO of CORE

and President of the CPA, attributed the success of neighbourhoods like Broadgate to the fine-grained curation of activities which prove attractive to occupiers. Matt Flood, Commercial Director at Landsec reflected on the recent development of places like King's Cross and Victoria: "Each has its own kind of compelling proposition, and it shows there's been a real move towards creating these destinations that resonate with people. It's an advantage to have a single landowner, which enables them to curate the experience and the place to make a cohesive environment – that's really powerful."



Image: JRA,
JanRockar

Innovating in London

In a fast-changing world of digital innovation what is London's offer as a global location?

We have explored the business and property industry perspective on what's happening in London at a time of significant and rapid change. We spoke to individuals from across financial and professional services and related tech firms, large and small, and to property professionals with a deep understanding of how the real estate requirements for these industries are changing.

A number of core themes came through strongly. Technological advancements are enabling new ways of working and reshaping businesses' operating models and the demand for new types of skills. But people remain at the core of competitiveness and innovation requires bringing these people together, in person, to share ideas and test complex concepts. This means that the link between jobs and place – and the importance of the workplace – is, if anything, stronger than ever.

What do these factors mean for London and its future? London is a very distinctive city. It sits at the heart of global financial markets and is home to the largest financial service cluster in the world, with nearly 60,000 financial services companies¹⁰ – more than New York and Hong Kong combined. It has long been a knowledge-intensive economy, with 60% of the workforce in knowledge-intensive services¹¹ and home to the European headquarters of 40% of the world's top companies.¹² Recent years have seen the strong growth of tech in London, which now has Europe's largest concentration of tech companies,¹³ alongside the headquarters of Amazon, Apple, Facebook and Google. Indeed, research from CBRE shows that London is the best-performing large tech cluster in the EMEA region.¹⁴

So, London is visibly adapting and thriving in this new technology-enabled world.

But what's perhaps less apparent is the transformational effect that technological developments are having on ways of working in these financial and professional services industries – and what this means for London's evolving offer as a place to do business.

Proximity and connectivity in London

A key finding, reinforced repeatedly in our interviews, is just how critical it is to be able to connect people – to bring them together in person, whether to establish trust with a new business partner, talk through the complexity of a multimillion-pound deal,



pitch to investors, or bring together teams, clients and innovators to test and generate new ideas. Proximity and connectivity are fundamental underpinnings.

In London, industries such as financial services, professional services, and, increasingly, tech are very densely clustered in the centre. Just three local authority areas – the City of London, Westminster, and Tower Hamlets (home to Canary Wharf), between them contain over 79% of London's and over 28% of Great Britain's FPS jobs. According to CBRE's recent research, the proportion of tech employment in London is almost two-and-a-half times the EU average.

This dense clustering of related industries is a potent combination. Charlotte Crosswell of Innovate Finance characterised London as a place where "we have the most senior people within the banks sitting next to highest growth fintech companies, sitting with the regulators, sitting with the investors." Together, these ingredients make a highly competitive environment for innovative firms.

These compound benefits are of particular advantage to finance firms innovating

through technology. The innovation lead for a major financial services firm said: "London is a great place for fintech. We have the organisations, the financial services firms – who are the end client – and we have the capital in the form of private equity. Combined with these, we have very pro-tech government, all within 15 minutes of each other." And the connectivity and proximity of services found in central London supports new firms throughout their initial development – as Anthony Burnett-Scott of Macfarlanes put it: "There aren't many places where, if you're an entrepreneur and you've got an idea, you can say I'm going to go and set up my company, go to the lawyers to put my shareholders agreement together, sort out the patent, go to the real estate agents to get the property sorted out, and if things go really well, float my company here – all within walking distance."

More broadly, at the global level, this means being able to bring people together and connect them. Caroline Haynes of EIX has found that the presence of so many key business specialisms in one place made London an attractive place for overseas firms to visit. "They're willing to jump on a plane and come here, and spend three, four hours going through a deal structure in a huge amount of detail because of everything else that's on offer around us."

For businesses seeking investment, the presence of investors in London offers a distinct advantage. Charlie Walker of LSEG explained: "If you want to access a capital market you can come to London and cover off 60-70% of investors meetings. These are global companies accessing global capital markets – why visit seven cities if you can do it in one?"

London's global aviation connectivity is also unparalleled, meaning it's easy to get here from around the world. Indeed, PwC's 'Cities of Opportunity' report ranks London #1 amongst world cities for airport connectivity. Our interviews reflected just how important this global connectivity is – as Mark Worrall, CEO of EIX, highlights: "In a given day, we can have a team that's come



¹⁰ fDI, Global investment: driving UK jobs and growth in financial services, commissioned by CoLC, October 2018.

¹¹ ONS, Business Register and Employment Survey following EUROSTAT's definition of knowledge-intensive sectors, data for 2017.

¹² Deloitte, London Futures, 2014.

¹³ London & Partners, The London Fundamentals.

¹⁴ CBRE, EMEA Tech Cities - Opportunities In Technology Hotspots, 2018. CBRE's ranking reflects a wide range of factors such as the age and educational profile of the labour catchment, the contribution of specific activities to technology employment and the rate of local change in sector output.



in from Bucharest, Nigeria, parts of Asia, and so one of the good things about London is everyone can get here." Many companies also talked about the critical importance of transport connectivity at the local level when considering their location decisions and being able to readily bring in staff. It is notable that the impending opening of the Elizabeth Line (Crossrail) will soon bring 1.5 million more people within 45 minutes of central London.

This connectivity at both a local and global level remains a critical and fundamental part of London's competitive offer. FTI's global survey found that London was viewed as the top city for location of global teams, with 54% of respondents seeing its offer as world-leading.¹⁵

Image: Landsec



Supporting innovation in London

Given the importance of connectivity for innovation, it's perhaps no surprise that London is seen as world-leading, ranking top for innovation in Cushman & Wakefield's 'Winning in Growth Cities' and for intellectual capital and innovation in PwC's 'Cities of Opportunity'. FTI's global survey reinforced this, with London coming out as the top global city for innovation that increases revenue.

But innovation isn't solely about connectivity – there are other factors in the business environment that play a key role too. In particular, FPS businesses see the regulatory environment as critical to get right – in FTI's survey, finance, insurance and professional services businesses across the globe saw regulation as the top factor most likely to inhibit innovation.¹⁶

From a regulatory perspective, the UK has an approach that facilitates experimentation, with the Financial Conduct Authority's (FCA) 'regulatory sandbox' allowing businesses to test innovative ideas in a customised environment with real consumers – a substantial advantage to businesses seeking to use digital insights to drive innovation in finance, and one that interviewees saw as reflecting a progressive mindset. These regulatory advantages can be critically important for younger firms, with Asif Faruque at Level39 highlighting this as an attractive feature for internationally-oriented scale-ups. "Our regulator here is incredibly supportive and forward thinking and open to new innovations."

FTI's survey reinforced this perception, with global finance, insurance and professional services firms all seeing London as the top city for regulation that encourages innovation, while global tech companies saw London as having the best R&D infrastructure.¹⁷

The regulatory environment also supports businesses seeking funding, with the AIM submarket of the London Stock Exchange offering a more flexible regulatory regime tailored to meet the needs of younger tech businesses. Charlie Walker, Head of Capital Markets at LSEG explained: "It really goes from the ground up and asks what

¹⁵ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.

¹⁶ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.

¹⁷ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.

¹⁸ KPMG media release.

“

London was viewed as the top city for location of global teams.”

regulatory infrastructure is required to allow these businesses to access and thrive in the public markets?” London’s appeal for young tech businesses seeking funding is borne out by the numbers – the UK attracted \$16bn in fintech investment in the first half of 2018, more than half the total European fintech investment of \$26bn, and higher than the US (\$14bn).¹⁸

Implications for London’s property offer

London has a strong offer when it comes to connectivity and access to talent that firms need as they embrace new technologies and focus on innovation. How has this been supported by London’s property offer?

Property provides the setting where innovation happens, and London’s real estate offer has proved responsive to changing business needs. Large businesses have been able to consolidate their activities in landmark HQ buildings: Google and Facebook at King’s Cross; Amazon on the fringes of Shoreditch and the City; and Deutsche Bank in the heart of the Square Mile. The likes of British Land’s Storey, WeWork, and Mindspace, are meeting demand for flexible accommodation solutions for businesses, proving attractive to scale-ups as well as project teams of larger businesses. Innovation labs are forging connections between nimble start-ups and established firms. And these developments are being created in the heart of London – building on the proximity crucial to innovation.

Fintech and property experts who participated in our innovation-focused roundtable were clear that, to support and enable innovation, London needs to continue to offer a range of spaces and lease lengths that businesses need throughout their lifecycle. “The secret is to adapt,” says Andrew Heath-Richardson of Canary Wharf Group, ensuring the property market remains responsive to changing

business needs. Fergus Jagger of property consultants Gerald Eve explains what this means in practice: “If you’re a start-up business, you may begin life in a warehouse or a garage and it’s all going well. As soon as you start to grow and your business needs a more robust platform, you then have a real requirement for your premises to provide the infrastructure you need. The power, the telecoms, the resilience that is hidden away out of sight, but allows your business to function.”

The firms we spoke to highlighted the ways in which London’s flexible office market and range of spaces have enabled adaptation and innovation. But change inevitably brings new challenges for the property market, especially as the distinctions between different types of businesses increasingly blur. “Given the fluid nature of demand, a building could as easily be taken by a tech company as a financial business. It’s therefore necessary to design to fundamental principles such as flexibility, wellness and experience which will resonate with this broad customer audience,” said Matt Flood of Landsec. His experience at 1 New Street Square in the City was instructive: “There was a recognition that that area had changed. Businesses like Saatchi had come in, Amazon were close by. Deloitte, the current customer, took the space – but they are evolving too, as Deloitte Digital shows.”

The impact of Brexit

With the report’s focus on the drivers of change for London, we were keenly interested in the business and property perspective on the impact that Brexit is having. Whilst Brexit continues to dominate the news headlines, and is understandably a source of uncertainty, for our contributors it wasn’t perceived to be a fundamental long-term driver of change in the same way as technology.

In our discussions, a range of property professionals noted how resilient London’s property market has been following the referendum. While a number of firms had noticed a temporary pause in the immediate aftermath of the referendum vote, there was consensus that the level of interest, take-up, deals, and major commitments into London have remained strong since.

Locate, create and innovate:

London in a changing world



Martin Wallace, Head of Leasing at Brookfield noted: "There hasn't been a huge blip and deals that we were doing pre-Brexit, we're doing post-Brexit."

For Dan Gaunt, Head of City Leasing at Knight Frank, "The Square Mile has not only weathered the Brexit uncertainty, but continued to draw in tenants from the rising new sectors like tech and digital media. Despite all the talk of Brexit exodus, 2018 saw a 77% rise in leasing deals to financial firms to 1.5 million sq ft, beating the average figure of 1.4 million sq ft." Similarly, Matt Flood, Commercial Director at Landsec highlighted: "On the whole, over the last couple of years we have seen really strong levels of take up compared to long-term averages - businesses are making 10/15-year commitments to have their talent, their headquarters in London." CBRE's recent property research supports this – highlighting that capital transactions in the central London office market stood at £17.6bn by the end of 2018, the highest level since 2014.¹⁹

That Brexit has had relatively little impact on central London's property market activity may at first seem surprising. But much of this has to do with the global nature of the property market and investors – and the international nature of the businesses in London. Whilst European investment has been impacted, much of the international investment into London comes from Asia and the Middle East - markets that many observed have seen little impact as a direct consequence of Brexit. Indeed, in some cases, investment has been stronger in part due to the weaker pound. As Matt Pinsent, Head of Asset Management at Greycoat noted: "While Europe definitely has been affected, the Far East has been relatively immune to these short-term forces." For Chris Vydra, Executive Director at CBRE, "The global appeal of the London office market has never been more attractive – with currently active prolific investors from all corners of the world: Singapore to Germany, South Korea to the USA, Hong Kong to the Middle East. UK investors have now realised what the rest of the world values and they are now investing accordingly."

Reinforcing this global perspective, Knight Frank's recent report highlights that, in 2018, overseas investment into London



offices was led by China, South Korea and Singapore. London's total office investment heads the global list at \$20.9 billion.²⁰ While Jeremy Gardner of Jones Lang LaSalle noted: "There's clearly going to be some market uncertainty around Brexit. But in terms of London as a global city and a target for global investors, I can't see that changing."

Findings from FTI global business survey also point to London's wide and enduring appeal to global markets, with businesses from Asia, the Middle East and Saudi Arabia being much more likely than European countries to be considering moving business operations to London where they didn't already have them – for countries such as China, India, Brazil, Saudi Arabia, and Indonesia as many as 80% to 90% of firms surveyed.²¹

¹⁹ CBRE 'London: The Property Perspective Q4 2018'.

²⁰ Knight Frank 'The London Report 2019'.

²¹ 2019 FTI Survey of 459 senior business leaders of large companies in the Central Business Districts across New York, London, Paris & Singapore.



Image: Landsec

This sense of global perspective and ambition was reflected by many of the businesses we spoke to. For Mark Worrall, CEO of EIX: "80% of our projects are outside Europe. Asia's storming ahead, and we're doing deals there, and looking at Australia, North America, and Africa. There may be teething issues, but we see these as opportunities – we'll find a way to make it work." This focus on innovation and problem-solving was echoed by Joanne Dewar, CEO of GPS: "We're not sitting in the doldrums worried about Brexit or watching a clock. We're moving at a pace with a variety of exciting projects, we're thinking about new technologies and solving new problems."

Time and again the long-term perspective that many international investors take was highlighted. As Brookfield's Martin Wallace put it: "A lot of the institutional money that's coming into the UK is taking the long-term view. They're not looking to make a gain in six or twelve months. It's more 20 years - 30 years - 50 years - 100 years. And if the long-term trajectory in the UK has been positive despite the bumps along the way you are always going to get people investing here."

And this, in turn, means that London's long-term resilience is a critical factor – as David Ainsworth, CEO of CORE and President of the CPA, put it: "The factors driving change go far beyond anything to do with politics – it's all about the technological change and connectivity. And London's got that resilience for the fundamental reasons it's always had: the depth of history and the strength of the institutions, and the strength of the people and the city."

London's enduring appeal

Perhaps counter-intuitively, then, while there was agreement that technology is acting as a much greater driver of long-term change than Brexit, the factors that underpin London's long-term appeal remain important. Indeed, businesses came back time and again to London's long-standing strengths, emphasising these as a bedrock which supports future innovation and problem-solving.

Derek Gilby, Senior Fund Manager at Legal and General Investment Management, summed up this sentiment from the investor perspective: "The traditional factors still attract global investors to London. There is relative political stability, a good legal

framework, the English language which transcends the globe, a good time zone relative to Asia and the US." Similarly, Chris Vydra of CBRE stated that: "London is always on investors' maps for a good number of reasons. Alongside building quality there is depth of market, liquidity and transparency, underpinned by our legal system and the length of leases compared to other global cities. This makes it easy to invest here."

These same enduring factors that continue to appeal from the investor and property perspective were seen as equally important in enabling global operations and growth for businesses. Asif Faruque of Level 39 elaborates on the benefits of a London location for start-ups: "The English language is the de facto language of business in the world and the time zone in the UK lets you work with America and Asia. English common law is practised worldwide, so there's a common foundation working in the UK as working in Canada, Singapore, Australia, Hong Kong and more. Our regulator here is incredibly supportive and forward thinking and open to new innovations. You can set up and open a new business in under an hour which is world-

“

Global tech companies saw London as having the best R&D infrastructure.”

leading. All of those benefits attract smart, ambitious people – for the entrepreneurs I speak to, London is a great place to work."

These long-standing strengths have proved as critical in a fast-changing and increasingly tech-focused world as ever. Reflecting on this, Harry Badham, of AXA Real Estate summarised: "From a business point of view, London is the European centre of finance, of law, and of government. The big thing, in the last five to seven years, is that London has become the European centre of tech and media – Facebook, Amazon, Google have all based their European headquarters in London. All these different industries are undoubtedly centred on London. There isn't another city in the world that has that breadth and depth."

March 2019

About the City of London:

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

www.cityoflondon.gov.uk

About CPA:

City Property Association (CPA) is a not-for-profit membership body representing the leading owners, investors, professional advisors and developers of real estate in the Square Mile and its neighbouring commercial districts.

We champion the City's built environment as a major driver of economic growth for the capital and country; organise networking and educational events for our members; and help inform policy through close engagement with key stakeholders in particular the City of London Corporation.

Established in 1904, the Association has over 150 corporate members, including nine FTSE 100 and 250 companies.

www.citypropertyassociation.com

City of London jobs

Are growing steadily



There are

513,000

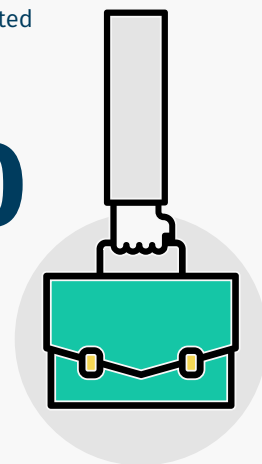
workers in the City of London, or **10%** of London's total workforce. **1 in 58 GB** workers are employed in the City.



Financial, professional and associated business services are the largest employers in the City of London, accounting for

377,000

jobs in 2017 – almost **three quarters** of total jobs in the Square Mile.



Financial, professional and business services provide the most jobs and drive jobs growth.



34%

Financial services



25%

Professional services



14%

Business services



6%



Retail, Accommodation and Food services

9%



Tech

12%

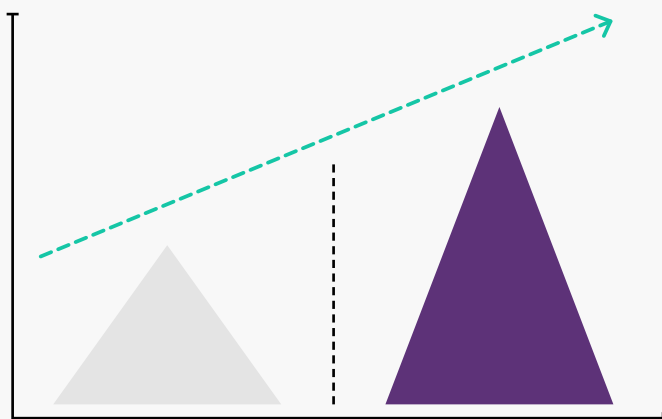


Other

From 2016 to 2017, financial services provided the highest number of new jobs. Tech was the fastest growing major sector in the City, with **jobs growth of 16%** across the year.

4.9%

increase in employment in the City of London from 2016 to 2017.



The City of London contributed around

£60bn

in Gross Value Added to the UK's national income in 2017, around **3%** of the UK's and **14%** of London's output.

City output has risen the equivalent to **4%** per year over the ten years to 2017.



Sources: ONS, Business Register and Employment Survey, 2017; ONS, Annual Population Survey, 2017; ONS, Nominal and Regional GVA by Industry (balanced approach), 2018, Regional GVA by LA (balanced approach), 2018.

City of London firms

The City of London is a dynamic environment for firms. Although only 1% of City firms are large, they account for over half of employment



The City is home to

23,580

businesses. While **99%** of those are SMEs, the large firms are **very large**.

There are only

265

larger firms
(250+ employees)
based in the City.

But they provide over

50%

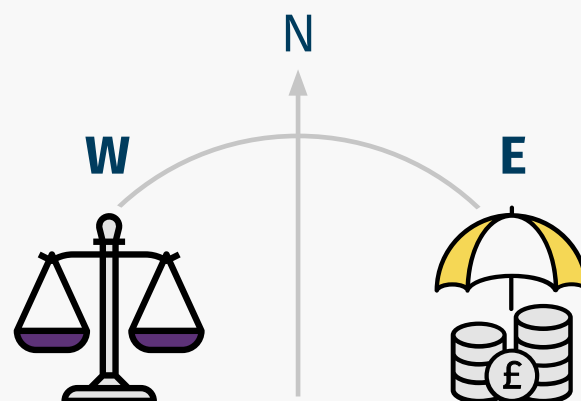
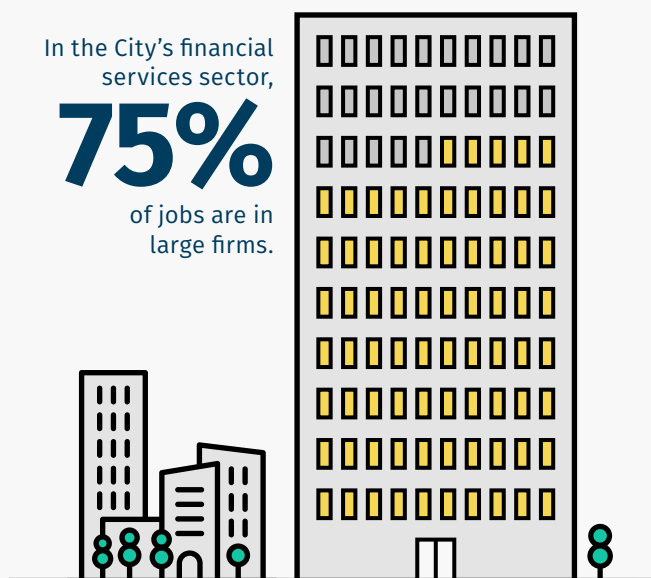
of the City's jobs.



In the City's financial services sector,

75%

of jobs are in large firms.



Some sectors are noted for being highly concentrated in specific areas. Insurance firms tend to be located on the **East side** of the Square Mile...while law firms are clustered in the **West**.

There are around

1,000

new start-ups each year in the City.

40%

of the City of London start-ups are in professional and business services,

and

15%

are in tech.



Sources: ONS, UK Business – Activity Size Location, 2017; BankSearch, 2017; ONS, Earning, Learning and Business Churning 2015; Trends Business Research (TBR), 2016. 'Tech' refers to "Information and Communication". 'Business Support Services' refers to "Administrative and Support Services"

City of London workers

The City of London workforce is young, skilled and highly international



The City of London's is young...

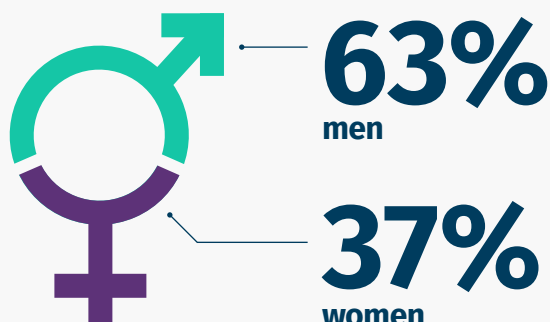
The City's workforce attracts young, highly-qualified workers.

61% of City workers are aged between **22 and 39**, compared with **40%** of workers across England and Wales in 2011.



The City's workforce

In 2017, the gender balance of the City's workforce was



In 2017,

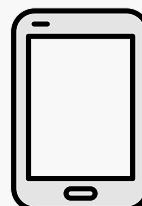
28%

of the City's workforce were of **black, Asian or minority ethnic origin.**

City workers are highly skilled



of workers in the City of London are employed in high-skilled jobs



compared with



59% across London and **46%** in Great Britain.

The City of London's workforce is international, with 40% of workers born outside the UK in 2017.



Of the City's total workforce, **60%** are UK-born, **16%** of workers come from the EEA, while **25%** come from the rest of the world.

38% workers in financial services and in tech as well as **34%** of workers in legal, accounting & consulting services were born outside the UK. This increases to **51%** in administrative services. Insurance has a lower share of international workers – **16%** were born outside the UK.

International workers in the City of London

International UK

Insurance and pensions



Legal, accounting & consulting



Tech



Financial services



Business support services



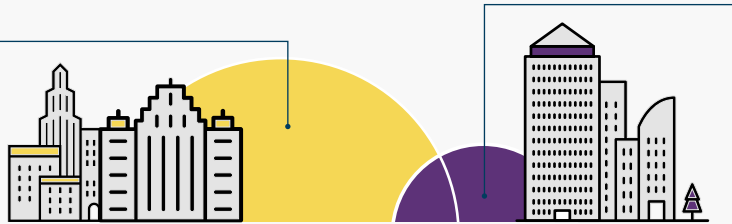
Sources: ONS, user requested data; Annual Population Survey, 2017; ONS, Regional and Local Authority GVA, 2017; Business Register and Employment Survey, 2017; ONS, Annual Survey of Hours and Earnings, 2016, ONS user requested data 2019. High-skilled jobs refers to roles as managers or directors, or in professional or technical occupations.

The role of financial services

The City of London, also known as the Square Mile, remains home to the UK's financial services industry



The City accounts for
47%
of all London's financial
services employment



– while Tower Hamlets
(home to Canary Wharf)
accounts for **18%**.

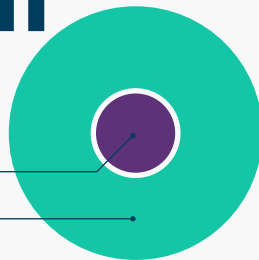
There are

1.1 million

financial services jobs in the UK,
two thirds of which are outside
London.

London

Outside London



The UK financial
services industry paid

£75bn

in tax in 2018.

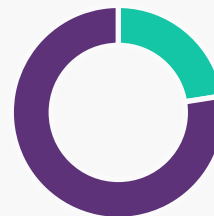
11% of the total
tax contribution
to the UK is
generated from
financial services.



Financial services contributed

7.1%

of the UK's Gross
Value Added (GVA)
in 2017 - **£129.1bn**.



The City of London accounted for

22.6%

of the UK's financial services GVA,
with London as a whole accounting
for almost **half (49.4%)** of this.

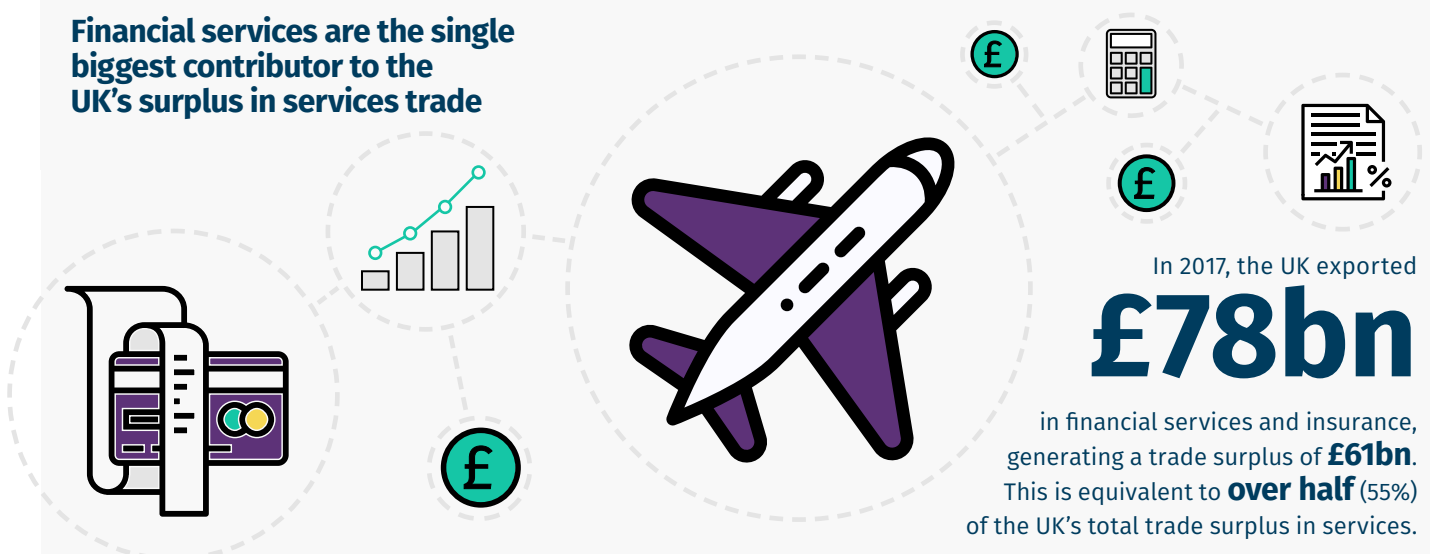


Financial services is one of the
UK's most productive industries,
generating over

£100k

(**£116k**) in output for every job in 2017.

**Financial services are the single
biggest contributor to the
UK's surplus in services trade**



In 2017, the UK exported

£78bn

in financial services and insurance,
generating a trade surplus of **£61bn**.

This is equivalent to **over half (55%)**
of the UK's total trade surplus in services.

Sources: ONS, Business Register and Employment Survey 2017; City of London/PwC, Total Tax Contribution of UK FS, 2017; ONS, Nominal and Regional GVA by Industry (balanced approach), 2018, (Regional GVA by LA (balanced approach), 2018; ONS, Balance of Payments, 2017.

Committee Public Relations and Economic Development Sub (Policy and Resources) Committee	Dated: 7 May 2019
Subject: Corporate Affairs Update	Public
Report of: Bob Roberts, Director of Communications	For Information
Report author: Meghan Green, Corporate Affairs Officer	

Summary

This report provides a monthly update of the Corporate Affairs Team's activities in supporting the City Corporation's strategic political engagement.

The Corporate Affairs Team coordinates and organises the City Corporation's political engagement and seeks to support both Members and Officers in its delivery, with a particular focus on the activity undertaken by the Policy Chair and Lord Mayor.

The activities documented in this report focus largely on those lead by the Corporate Affairs Team. Activities undertaken in partnership with other teams and departments are also included and have been appropriately termed.

The timeframe of this report spans the period lapsed between the previous and current meetings of this Sub Committee.

Recommendation

Members are asked to:

- Note this report.

Main Report

Strategic Objectives

1. Based on developments in the domestic political and economic landscape and in line with the City Corporation's corporate priorities, the Corporate Affairs Team has focused its activity in the following areas.

Brexit

2. Following the third Meaningful Vote in Parliament on the Government's Withdrawal Agreement and Political Declaration on the future relationship between the United Kingdom (UK) and the European Union (EU), the Corporate Affairs Team:
 - a. Continued to monitor the latest political developments in the UK and EU following the UK and EU's agreement to extend to the UK's deadline for departure to 31 October;
 - b. Contributed to Brexit updates for the Policy Chair and Lord Mayor;

- c. Liaised with the City Corporation's various departments to ensure all Brexit-related engagement with the Government is coherent organised and strategically conducted;
- d. Co-ordinated a grid of Brexit-related engagements across all areas of the Corporation ahead of the Town Clerk's weekly Brexit contingency planning meetings with senior officers;
- e. Reviewed the Brexit contingency plans of other City Corporation departments alongside the Media Team;
- f. Identified and invited Ministers, Shadow Ministers and other Members of Parliament to meetings with the Policy Chair to discuss issues of mutual interest, including, but not limited to, Brexit-related matters.

London – Local engagement and London promotion

3. The Corporate Affairs team seeks to develop and encourage the City Corporation's engagement with the rest of London beyond the Square Mile. To this end, the Corporate Affairs Team:
 - a. Continued to develop work on a London borough engagement programme for the Policy Chair. Visits this month included the London Boroughs of Brent, Greenwich, Hackney and the Royal Borough of Kingston-upon-Thames, accompanied by their respective council leaders;
 - b. Briefed and attended the Policy Chair's meeting with London Assembly Member, Unmesh Desai;
 - c. Arranged, briefed and attended the Policy Chair's meeting with the new Chief Executive of the London Chamber of Commerce and Industry, with regard to the City Corporation's London promotion and engagement;
 - d. Briefed the Policy Chair for a meeting with the Chairman and Deputy Chairman of Crossrail alongside colleagues in the Department of Built Environment.

Domestic Political Engagement

4. A key aim of the political engagement organised and undertaken by the Corporate Affairs Team is to foster productive dialogue between the City Corporation and key political representatives and decision-makers in government – at local, regional and national levels. To this end, the City Corporation:

National Engagement

- a. Briefed the Policy Chair for a meeting with Lord Kerslake, Chair of the Local Government Association as well as roles in other notable organisations;
- b. Provided speaking notes for the Policy Chair's opening remarks at the Museum of London's 'Beasts of London' exhibition;
- c. Provided speaking notes and input into briefings for a number of freedom ceremonies, including that of Home Secretary Sajid Javid MP, and the

Managing Director of the General Insurance Corporation of India, Alice G. Vaidyan;

- d. Drafted proposals for topics to be explored at the upcoming Battle of Ideas Festival.

International Engagement

5. Where relevant, the Corporate Affairs Team assists the City Corporation's overseas engagements, such as those undertaken by the Policy Chair and Lord Mayor. To this end, the Corporate Affairs team has:
 - a. Alongside the Asia team officers, Corporate Affairs contributed to the Policy Chair's briefing pack for her attendance at the Belt and Road Summit in China, as well as producing speaking notes engagements;
 - b. Drafted the Policy Chair's remarks at the Innovate Finance Global Summit 2019;
 - c. Drafted the Chief Commoner's first speech and statement.

Think Tanks and Third-Party organisations

6. As part of the City Corporation's engagement with think tanks and other external organisations, the Corporate Affairs Team has:
 - a. Researched plans, alongside relevant officers in EDO, on planned party conference activities and held discussions with partnering think tanks;
 - b. Continued to work with the Centre for Policy Studies on the Thatcher Conference on UK-US relations;
 - c. Liaised with the Franco-British Council on the Gala Dinner to be held in Guildhall;
 - d. Alongside EDO colleagues, liaised with SecurityWomen on the upcoming Women in Security conference.

Meghan Green

Corporate Affairs Officer, Town Clerk's Department

T: 020 7332 1754

E: meghan.green@cityoflondon.gov.uk

This page is intentionally left blank

Committee(s)	Dated:
Public Relations and Economic Development Sub-Committee	7 May 2019
Subject: Parliamentary Team update	Public
Report of: Paul Double, City Remembrancer	For Information
Report author: Michael Comba, Parliamentary Officer	

Summary

This report has been prepared to update Members on the main elements of the Parliamentary Team's activity in support of the City of London Corporation's political and parliamentary engagement. An oral update will be provided at the meeting on the Brexit parliamentary programme.

This report spans the period since the last meeting of the Public Relations and Economic Development Sub Committee on 7 March.

Recommendation

Members are asked to note the report.

Main Report

Following the failure to ratify the Withdrawal Agreement, the Government agreed an extension to Article 50 with the European Council to 31 October. The extension may be terminated early, should the Withdrawal Agreement be ratified before the deadline. Parliament also passed Yvette Cooper's (Lab) European Union (Withdrawal) Act 2019. The Act makes it easier for the Government to seek a future Article 50 extension as it removes the need for explicit parliamentary approval to effect the extension in domestic legislation. It is expected that the Government will bring the Withdrawal Agreement before Parliament again in the form of the Withdrawal Agreement (Implementation) Bill, but at the time of writing no formal announcements have been made. An oral update will be provided on the Brexit parliamentary programme at the meeting.

Legislation

1. The Office has reached an advanced stage on the drafting of a private member's Bill relating to air quality following an engagement programme with London Councils and the GLA. The proposals were considered by London Councils' Transport and Environment Committee on 21 March and were approved. This paves the way for the Bill's introduction in the next parliamentary session.
2. Preparatory work on a private bill relating to the relocation of the City Corporation's markets is being advanced following the decision of the Court on 25 April.

3. The Financial Services (Implementation of Legislation) Bill was withdrawn from consideration by the Government following the tabling of amendment by Dame Margaret Hodge (Lab) and Andrew Mitchell (Con) that provided for the establishment of public beneficial company ownership registers in British Crown Dependencies. At the time of writing, its reintroduction is yet to be announced.
4. The Lords completed its Third Reading of the Trade Bill on 20 March with a number of amendments relating to the future trading relationship with the EU. At the time of writing, the Commons Consideration of these amendments is awaited.

Debates and Briefings

5. The Office provided briefing notes to targeted MPs and Peers ahead of the following debates:
 - UK access to Erasmus+ post-Brexit held by Baroness Warwick (Lab) on 11 March;
 - a question asked by Lord Holmes of Richmond (Con) on support for the UK as a global centre for fintech on 10 April, contributed to by Lord Mountevans.
6. Provided briefing notes for the following parliamentary questions:
 - Baroness McIntosh (Con) on the UK's post-Brexit access to rapid alert systems for food and feed imports on 11 March;
 - Lord Chidgey (Libdem) on building a fairer Commonwealth on 13 March;
 - Baroness Newnham (Libdem) on bilateral European relations post-Brexit on 20 March;
 - Baroness Kennedy (Lab) on air quality on 8 April;
 - Baroness Jenkin (Con) on plastic pollution on 10 April.
7. The Office arranged, and supported, meetings between the Policy Chair and the following MPs and Peers:
 - Lords EU Sub-Committee on Financial Affairs Chair Baroness Falkner (Libdem) to discuss Brexit on 18 March;
 - Former Defence Secretary Michael Fallon (Con) to discuss Brexit on 18 March;
 - Shadow Industrial Strategy Minister Chi Onwurah on 27 March;
 - Former Education Secretary Justine Greening (Con) to discuss social mobility on 29 April;

- Treasury Select Committee Chair Nicky Morgan (Con), accompanied by Nick Collier, Managing Director of the Brussels Office, to discuss future EU engagement and EU market access on 29 April;
 - Members of the SNP, together with industry representatives, for a roundtable meeting to discuss financial services on 30 April.
8. The Office has also arranged, and will support, a visit from members of the Lords EU Sub-Committee on Energy and Environment to port health facilities at London Gateway, hosted by Jeremy Simons, Chairman of the Port Health and Environmental Services Committee, on 1 May.
9. The Office has also arranged, and will support, a meeting for 7 May regarding air quality and sustainable cities, as an opportunity to set out, in a parliamentary setting, City Corporation plans.

Select Committees

10. Working with the Department for the Built Environment, the Office made a submission to the Transport Select Committee inquiry into pedestrian safety. It is also preparing in conjunction with the following:
- EDO, a submission to the Treasury Select Committee's inquiry into the future of UK financial services;
 - The Department for the Built Environment, a submission to the Transport Select Committee inquiry into pedestrian safety;
 - The Plastic Free City Initiative, a submission to the Environment, Food and Rural Affairs (EFRA) Select Committee inquiry into plastic food and drink packaging;
 - Open Spaces, a submission to the Digital, Culture, Media and Sport Select Committee inquiry into garden tourism;
 - Epping Forest, a submission to the Environmental Audit Committee inquiry into invasive species.
11. The Office also briefed:
- The EFRA Select Committee on Brexit port health cliff edge risks ahead of a one-off evidence session with Defra ministers;
 - The Lords EU Sub-Committee on Energy and the Environment on the City Corporation's work on freight deliveries.

All-Party Parliamentary Groups (APPGs)

12. Office representatives attended meetings of the following APPGs:

- Apprenticeships on 5 March;
- Rule of Law on 1 April.

13. The Office arranged, and supported, a meeting with the Women and Work APPG to discuss possible future engagement on 27 March.

14. City Corporation press releases were also circulated on the following:

- The City Corporation's new all-electric waste collection fleet to the Chairs of the APPGs on air quality and electric vehicles;
- The recent work of the Plastic Free City Initiative to the Chair of the APPG on Plastic Waste.

GLA and the Regions

15. The Office briefed the following:

- Caroline Russell, Chair of the GLA's Environment Committee, on the City Corporation's proposals to move towards an electric fleet of Refuse Collection Vehicles;
- Andrew Dismore on the cliff edge risks for the FS sector related to a 'no deal' Brexit ahead of his question to the Mayor on the issue;
- The GLA's Environment Committee on the progress of the City Corporation's Plastic Free City initiative and the installation of a water point on Cheapside.

16. The City Corporation's recent *Locate, Create, Innovate* report was also circulated to the members of the GLA's Economy, Regeneration and Planning Committees.

26 April 2019

Michael Comba

Parliamentary Officer, Office of the City Remembrancer

T: 020 7332 1200

E: michael.comba@cityoflondon.gov.uk

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank