



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

Date: THURSDAY, 14 JANUARY 2021

Time: 3.00 pm

Venue: VIRTUAL MEETING

Members: Deputy Catherine McGuinness (Chair)
Sheriff Christopher Hayward (Deputy Chairman)
Deputy Keith Bottomley
Tijs Broeke
Dominic Christian
Karina Dostalova
Anne Fairweather
Alderman Prem Goyal
Alderman Timothy Hailes
Deputy Jamie Ingham Clark
Alderman Vincent Keaveny
Deputy Edward Lord
Andrew Mayer
Jeremy Mayhew
Deputy Tom Sleigh
Sir Michael Snyder
Alderman Sir David Wootton

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://www.youtube.com/watch?v=SlNiVH3hJgw>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

Enquiries: Emma Cunnington
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 17 November 2020.
For Decision
(Pages 1 - 6)
4. **CORPORATE AFFAIRS UPDATE**
Report of the Director of Communications.
For Information
(Pages 7 - 12)
5. **PARLIAMENTARY TEAM UPDATE**
Report of the Remembrancer.
For Information
(Pages 13 - 18)
6. **IG UPDATE**
Report of the Director of Innovation & Growth.
For Information
(Pages 19 - 22)
7. **CITY OF LONDON EU STRATEGY**
Report of the Director of Innovation & Growth.
For Information
(Pages 23 - 30)
8. **INNOVATION & GROWTH UPDATE ON TECH**
Report of the Director of Innovation & Growth.
For Information
(Pages 31 - 34)
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. **CULTURE & COMMERCE TASKFORCE**

Report of the Assistant Town Clerk.
(to follow)

For Decision

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

14. **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

Tuesday, 17 November 2020

Minutes of the meeting of the Public Relations and Economic Development Sub (Policy & Resources) Committee held virtually at 3.00 pm

Present

Members:

Sheriff Christopher Hayward (Deputy Chairman) - *in the Chair*
Deputy Keith Bottomley
Tijs Broeke
Dominic Christian
Karina Dostalova
Anne Fairweather
Alderman Prem Goyal
Alderman Timothy Hailes

Deputy Jamie Ingham Clark
Alderman Vincent Keaveny
Deputy Edward Lord
Andy Mayer
Deputy Tom Sleigh
Sir Michael Snyder
Alderman Sir David Wootton

In attendance:

James Tumbridge

Officers:

Damian Nussbaum	- Director of Innovation & Growth
Bob Roberts	- Director of Communications
Sarah Bridgman	- Communications
Ellen Wentworth	- IT
Emma Cunnington	- Town Clerks
Sian Bird	- Culture Mile
Paul Double	- Remembrancers
Giles French	- Innovation & Growth
Sam Hutchings	- Communications
Tim Jones	- Culture Mile
Kiki Hausdorff	- Culture Mile
Nigel Lefton	- Remembrancers
Emma Lloyd	- Communications
Peter Lisley	- Assistant Town Clerk
Richard Messingham	- Communications
Thomas Regan	- Communications
Angela Roach	- Assistant Town Clerk
Paul Wright	- Remembrancers
Chloe Rew	- Town Clerks

1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Deputy Catherine McGuinness (the Chair). The Deputy Chairman, Sheriff Christopher Hayward, chaired the meeting.

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 16 September 2020 be approved as a correct record.

Matters arising

A question was asked about who makes determinations on engaging with activist groups, following on from the discussion at the meeting last time, where the Director of Communications had explained the three tests as a guide for the City Corporation. The Director of Communications confirmed that the tests were used as a guide, and that there would be a number of logistical and tactical issues to consider when deciding whether a media comment from the City Corporation would come from a particular Chairman or from a spokesperson. Various Chairmen on the call confirmed that they and officers had always worked collaboratively on these issues.

4. **ELECTION OF CO-OPTED MEMBERS**

The Sub-Committee proceeded to elect four co-opted Members to the Sub Committee in accordance with its terms of reference.

An indicative vote, ahead of the meeting, had already been taken across eight candidates who had expressed an interest in the vacancies. The results of the indicative vote was read out to the Sub-Committee, as follows:

Dominic Christian	12*
Simon Duckworth	1
Alderman Prem Goyal	6*
Oliver Lodge	2
Deputy Edward Lord	8*
Andy Mayer	6*
James Tumbridge	4
Mark Wheatley	3

The Sub-Committee confirmed that Dominic Christian, Deputy Edward Lord, Alderman Prem Goyal and Andy Mayer be duly elected for the ensuing year.

5. **CULTURE MILE PRESENTATION**

The Sub-Committee heard a presentation concerning the Culture Mile work by the Culture Mile Manager and the Head of Partnerships and Strategic Projects. The presentation focused on the evolution of the Culture Mile as well as the steps being taken to contribute to a Cultural Recovery, post-Covid. In particular,

Members heard how the team were keen to strengthen its engagement with other London boroughs as it looked to rebuild the cultural and creative industries sector. It was also noted that a paper to Policy & Resources Committee with recommendations for further investment for the Culture Mile would be forthcoming on 21 January.

Members then expressed their broad support for the Culture Mile work, insisting that culture should play a key part in the recovery and what the City can offer. Members also felt there should be further consideration on the funding and governance model around any BID.

RESOLVED, that:-

- The presentation on Culture Mile be noted.

6. PARLIAMENTARY TEAM UPDATE

The Sub-Committee received a report of the Remembrancer concerning an update on the Parliamentary Team's activity.

The Remembrancer gave a further oral update on the Internal Market Bill and the Environmental Bill.

The Policy Chair, who joined for this item in between other engagements, updated the Sub-Committee on her engagement earlier that day to appear in front of the Public Bill Committee with TheCityUK. She also mentioned that the MP for the Cities of London & Westminster had been promoting the City of London Corporation's message on the Government's Additional Restrictions Grant.

A Member requested further details on the City Corporation's response to the establishment of a new UK investment office under the Minister of State for Investment, as well as the Chancellor's recent announcement on equivalence. The Policy Chair and the Director of Innovation and Growth underlined that the City Corporation would be working closely with the new Office for Investment, and confirmed that the Chancellor's announcement on publishing a set of equivalence decisions alongside a new framework for taking such decisions in future. Members heard how the City Corporation would urge the EU to issue its equivalence determinations without further delay.

RESOLVED, that:-

- The report be noted.

7. CORPORATE AFFAIRS UPDATE

The Sub-Committee received a report of the Director of Communications concerning recent activity of the Corporate Affairs Team.

A Member asked a further question around the budget for next year's party conferences, and there was a short discussion on drawing on the success of the Green Horizons Summit for future virtual or hybrid events. Officers were

asked to bring a paper to a future meeting of this Sub-Committee on the success of this particular event.

RESOLVED, that:

- The report be noted;
- A report outlining the success of the Green Horizons Summit to be submitted to a future meeting of the Public Relations and Economic Development Sub Committee.

8. IG MONTHLY PRED UPDATE - NOVEMBER

The Sub-Committee received a report of the Director of Innovation & Growth concerning an update on the activity of his department.

Members heard an oral update from the Head of External Affairs concerning the new Taskforce to promote socio-economic diversity in UK Financial and Professional Services. The launch of this work would take place later in the month and would focus particularly on career progression for people from lower socio-economic backgrounds.

RESOLVED, that:-

- The report be noted.

9. CITY OF LONDON CORPORATION AND IMMIGRATION/VISAS ACTIVITIES

The Sub-Committee received a report of the Director of Innovation and Growth detailing information on a new paper, launched in collaboration with EY, which indicates how the immigration and visa system be strengthened.

RESOLVED, that:-

- The report be noted.

10. CITY OF LONDON CORPORATION AND TAX POLICY ACTIVITIES

The Sub-Committee received a report of the Director of Innovation & Growth concerning information on a private paper that the City Corporation had submitted to Government on tax policy for the recovery.

A Member asked a question about where the City Corporation were positioned around encouraging enterprise, recovery and growth through tax incentives on investment and equity. The Director of Innovation & Growth explained that the City Corporation had encouraged HM Treasury and HM Revenues & Customs to look at the longer-term economic growth, leveraging on what tax incentives were appropriate to do this.

RESOLVED, that:-

- The report be noted.

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 16 September 2020 were approved.

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

There were no questions.

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 4.27 pm

Chairman

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

This page is intentionally left blank

Committee(s): Public Relations and Economic Development Sub-Committee	Date(s): 14/01/2021
Subject: Corporate Affairs Update	Public
Report of: Bob Roberts, Director of Communications	For Information
Report author: Richard Messingham, Head of Corporate Affairs	

Summary

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

The focus over the past two months has been on responding to the worsening COVID 19 pandemic.

We have been urging the Government to keep the public health measures under evidence-based review, calling for support for businesses and cultural institutions as well as ensuring we are doing all we can to speed the recovery.

We have also been able to continue to promote the Climate Action Strategy, stress the importance of creative industries to Government and we have pressed forward with the Policy Chair's engagement with the leaders of all of the 32 London Boroughs.

The activities documented in this report focus largely on those led by the Corporate Affairs Team but they are delivered with the support of several teams across the Corporation for which we are grateful.

Each area of activity is linked back to the objectives outlined in the Communications Business Plan. The timeframe of this report spans the period lapsed between the previous and current meetings of this Sub Committee.

Recommendation(s)

Members are asked to note this report.

Main Report

Domestic Political Engagement

Ministerial and opposition spokespeople engagement

1. The Corporate Affairs Team has delivered the following activity to engage and build relationships with ministers, opposition spokespeople and their advisers during this period:
 - a. Organised a letter to the Prime Minister from the Lord Mayor and the Policy Chair, calling for more support for the cultural sector as COVID-19 restrictions in London increase
 - b. Co-ordinated a letter to Robert Jenrick MP, the Secretary of State for Housing, Communities and Local Government, raising the way the discretionary grant funding scheme was calculated and the disproportionately small amount of funding the City Corporation received
 - c. Drafted a letter from the City Corporation to the Environment Minister Lord Goldsmith highlighting several issues experienced by the Corporation's Port Health function in anticipation of changes to the trading relationship between the UK EU from 2021 onwards.
 - d. Worked with Innovation and Growth to provide briefing for the joint Policy Chair and Lord Mayor meeting with the Secretary of State for Business, Energy and Industrial Strategy, Alok Sharma MP, on COP26 and green finance
 - e. Provided briefing for the joint Policy Chair and Lord Mayor meeting with the No10 Business Adviser Alex Hickman and Chief Executive of the Green Finance Institute, Rhian-Mari Thomas
 - f. Drafted a letter to the Trade Minister Greg Hands MP inviting him to be the keynote speaker at the launch of a report on international trade
 - g. Drafted a letter to Treasury Minister John Glen MP and Business Minister Nadhim Zahawi MP, accepting the Government's commission to run the social mobility taskforce
 - h. Provided briefing and support for the Policy Chair's regular meeting with the Labour Shadow Economic Secretary to the Treasury, Pat McFadden MP
 - i. Arranged sponsorship of the annual Labour Business Christmas event with Shadow Chancellor Anneliese Dodds
 - j. Co-ordinated briefing and support for the Policy Chair's meeting with the Shadow Immigration Spokesperson Holly Lynch MP to discuss the recent EY/City Corporation report on visa reform
 - k. Assisted other departments with political engagement in relation to forthcoming reports such as the total tax report
 - l. Monitored and provided updates on Government COVID-19 related announcements
 - m. Monitored the Chancellor's economic statements including the 2020-21 one-year spending review, in conjunction with colleagues from the Media Team and the Remembrancer's Team
 - n. Continued to prepare for the City Corporation's engagement at the 2021 autumn Party Conferences.

Engagement with the devolved nations and regions

2. The Corporate Affairs Team has contributed to the ongoing work to engage with the City Corporation's partners around the UK:

- a. Organised the City Corporation fringe meeting at the annual SNP Conference, where the Policy Chair spoke alongside the Scottish Cabinet Secretary for Finance, Kate Forbes MSP. Two weeks later a subsequent roundtable event was organised with the Scottish Government on sustainable finance roundtable, also addressed by Kate Forbes which the Policy Chair attended
- b. Assisted with briefing for the Lord Mayor's meeting with the Mayor of the West of England, Tim Bowles and the Mayor of Bristol, Marvin Rees

London engagement

- 3. The Corporate Affairs Team seeks to actively maintain and develop the Corporation's engagement with political stakeholders, think tanks and other bodies across London. As part of this work, the team have and continue to:
 - a. Meet regularly with Nickie Aiken, Member of Parliament for the Cities of London and Westminster at both officer level and Policy Chair level
 - b. Grow and build on relations with Leaders and political advisers across the 32 London Boroughs, supporting the Chair of Policy and Resources in this engagement Recent engagement included recent meetings with the Leaders of Barnet, Bexley, Camden, RBKC, Brent, Bromley and Lambeth. Meetings with other Borough leaders will take place in the coming weeks and months
 - c. Meet regularly with the Minister for London, updating the Minister on major developments, including the Markets relocation project
 - d. Begin a new engagement programme for the Policy Chair with the Deputy Mayors at the GLA in the coming months
 - e. Maintain strong links with Unmesh Desai AM, London Assembly for City and East
 - f. Provide briefing for the Policy Chair's membership of the Mayor of London's new London COVID Business Forum
 - g. Prepare briefings for the Policy Chair's ongoing membership of the London Transition Board, jointly chaired by the Secretary of State for Housing, Communities and Local Government, and the Mayor of London
 - h. Provide London Recovery Board briefing support to the Policy Chair. This Board is co-chaired by the Mayor of London and the Chair of London Councils
 - i. Regularly share intelligence to the Policy Chair for the twice weekly COVID related London Leader's Conference
 - j. Engage with the GLA, updating colleagues within the GLA on cross working and other developments
 - k. Ensure close working relationship with London Councils, ensuring that they are appropriately updated on the City Corporation's work.
 - l. Provide up to date COVID-19 related political intelligence to internal colleagues, offering advice and engagement guidance
 - m. Understand the working of City Corporation colleagues, which may have political implications, opportunities or risks including supporting

the Port Health and Markets & Consumer teams in response to changes flowing for the UK's departure from the EU's single market, as well as the markets relocation project.

Think tanks and third-party influencers

4. The Corporate Affairs Team continues to work with think tanks and other third-party influencers and have:
 - a. Engaged with the Centre for European Reform and took part in this year's virtual Ditchley conference, sponsored by the City Corporation, and circulated notes to officers
 - b. Provided briefing and support for the Policy Chair's participation in a virtual panel hosted by Chatham House on Brexit and the Future of Finance in Europe
 - c. Held discussions with the think tank Onward about joining their Business Leaders Network and sponsoring an event as part of the forthcoming levelling up programme
 - d. Continued our engagement and active contribution to the IPPR Commission on Environmental Justice
 - e. Held discussions with a wide range of think tanks to consider future projects and partnership opportunities including a proposed Fabian Society commission on levelling-up
 - f. Agreed to sponsor the Police Foundation's strategic review into the future of policing on behalf of the City of London Policy Authority, including a role for Authority Chair James Thomson to sit on the review's steering group
5. The team has worked with the Tackling Racism Taskforce to support the launch of a public consultative exercise to assess the future suitability of historic landmarks in the City of London that are connected to slavery and other forms of racism. The 12-week consultative exercise recently concluded, and a final report was presented to the Tackling Racism Taskforce with recommendations for future action

Sport

6. The Sport Engagement Manager continues to work on plans for Major Sport Events in 2021 and beyond with our key partners. In addition, he is overseeing the research work being carried out by EY on the trade and soft power benefits of hosting sport events in the UK, as well as the survey being conducted by UKactive, the trade association for the fitness industry, on the leisure and active travel needs of City workers. A more thorough update will be provided to Members on this work at the next meeting of the Sub Committee.

Priorities for the next quarter

7. Priorities for the Corporate Affairs Team over the next four months are:

- a. Continuing a plan of engagement for the Policy Chair and Lord Mayor with key Ministers, political spokespeople, devolved and regional government leaders across all parties.
- b. Supporting the Policy Chair in her engagement with London Government - Mayor and borough leaders - focussing on speeding London's recovery.
- c. To consider opportunities for physical events when possible at the 2021 Autumn Party Conferences.
- d. Support the Corporation with political intelligence and relationship building as the UK changes its formal relationship with the EU and moves to increase its engagement with international rule setting organisations such as the WTO and in anticipation of the UK's role as Chair of the G7 in 2021.

Corporate & Strategic Implications

- 8. Engaging with political stakeholders, organising events associated with the party-political conferences and working with the thinktanks and other third-party organisations to produce events and associated policy reports provides an opportunity for the Corporation to engage with key audiences on important global, national and local government issues and to demonstrate the Corporation's involvement in relevant debates. Sponsorship and political engagement would also help deliver outcomes 2 – 10 of the 2018-23 Corporate Plan.

Implications

- 9. The Corporate Affairs Team has an established budget for all party conference and engagement related activity. Any think-tank memberships and sponsorship of ad-hoc policy projects are currently funded via the Policy Initiatives Fund according to decisions of the Policy and Resources Committee.

Appendices

None

Richard Messingham
Head of Corporate Affairs

T: 07592 329093

E: richard.messingham@cityoflondon.gov.uk

This page is intentionally left blank

Committee(s)	Dated:
Public Relations and Economic Development Sub-Committee	14 January 2021
Subject: Parliamentary Team Update	Public
Report of: Paul Double, City Remembrancer	For Information
Report author: William Stark, Parliamentary Engagement Officer	

Summary

This summary updates Members on the main elements of the Parliamentary Team's activity in support of the City of London Corporation's political and Parliamentary engagement since the last update in November 2020. Parliament rose for the Christmas Recess on 17 December and returned for one day on 30 December to consider the EU (Future Relationship) Act. At the time of writing, Parliament is due to return on 6 January, having been recalled in response to the coronavirus pandemic.

The summary is written with reference to the top line Parliamentary objectives and deliverables of the Remembrancer's Office. For the Committee's reference, these are set out in the appendix.

Recommendation

Members are recommended to note the report.

Main Report

Legislation Pertaining to the UK's Future EU Relationship (Objective 1)

1. Legislation in several areas is particularly affected by the UK's departure from the EU, examples include:

Trade Bill – The Bill was introduced in the previous session of Parliament. It was re-introduced in March following the General Election and has passed through the Commons and is in the later stages of its progress through the Lords. The Bill makes provision for the UK to enter into trade agreements with countries with which the EU has existing trade agreements and establishes a UK Trade Remedies Authority which will handle trade disputes. The Government has suffered several defeats on the Bill, for example over a Lib Dem amendment requiring further parliamentary approval of trade agreements and a Labour proposal to assess compliance with international obligations. A submission to the Bill's Public Bill Committee was made in June.

Immigration Act – Submissions based on the City Corporation's two pieces of visa research were made to the Government consultation, the Commons Public Bill Committee and during the Bill's Second Reading in the House of Lords.

Financial Services Bill – The Bill's objective is to ensure that the UK's regulatory framework continues to function effectively for the UK after leaving the EU. The Office provided a Second Reading briefing to a number of MPs and facilitated the Policy Chair's oral evidence session to the Public Bill Committee.

Private International Law (Implementation of Agreements) Act – The Act, which received Royal Assent on 14th December, implements the 1996 and 2007 Hague Conventions applicable to family law and the 2005 Hague Convention on Choice of Court Agreements relating to commercial law. Additionally, the Act provides Ministers with delegated powers to implement the 2007 Lugano Convention – and other agreements – in domestic law. This provides cross border recognition and enforcement of judgments in civil and commercial matters. It is, however, subject to the agreement of other contracting states, including the EU. The Act has a substantial commercial law interest on which both briefings to parliamentarians and technical input was provided in liaison with the professional institutions. Work on the implementation of the Lugano Convention continues following Royal Assent.

United Kingdom Internal Market Act – This Act received Royal Assent on 12th December 2020. It makes provision in connection with the internal market for goods and services in the United Kingdom, and in connection with provisions of the Northern Ireland Protocol relating to trade and state aid. Certain controversial clauses, which the Government had admitted would breach international law if implemented, were dropped from the Bill by the Government during Parliamentary ping-pong once agreement in principle had been reached between the co-chairs of the EU-UK Joint Committee. The Remembrancer's Office briefed Members of Parliament on the potential effects of these clauses on rule of law issues.

European Union (Future Relationship) Act – This Act, which implements and makes provision in connection with the Trade and Cooperation Agreement (TCA) and other Agreements with the EU, received Royal Assent on 30th December. Parliamentary proceedings were completed within one day, in order to pass the Act before the end of the post-Brexit transition period on 31st December. The Act makes provision in connection with the UK's future relationship with the EU and its member states, enabling the implementation of arrangements and agreements that are either foreseen in the current Agreements, or which are agreed by the UK and EU to be 'supplementary' to the TCA. The Bill also creates powers to make secondary legislation, where appropriate, to enable the Agreements to be implemented domestically or for domestic law to be interpreted in light of the Agreements. Parliamentarians were briefed on the City's general position and a summary of the Act's parliamentary proceedings was circulated to Members of the PRED Sub-Committee.

Corporation legislation (Objective 2)

2. The Emissions Reduction (Local Authorities in London) Bill, which had its First Reading in the Lords on 13 January still awaits a date for Second Reading following the disruption to parliamentary business caused by the pandemic. The Bill creates discretionary powers for London's local authorities to control emissions from combustion plants where the air quality in their area exceeds World Health Organization Guidelines and they choose to declare their area an 'air quality improvement area'.
3. The Environment Bill currently awaits a date for Report in the Commons. In liaison with London Councils, the Chair of the Policy and Resources Committee and the Chair of the Port Health and Environmental Services Committee, the Office is planning to table new clauses to the Bill in the Lords, mirroring the provisions of the Emissions Reduction (Local Authorities in London) Bill.

4. Work continues in respect of the private bill required to enable the relocation of the Corporation's wholesale markets to the new site at Dagenham Dock. Recognising that there are a number of matters still to be resolved (such as issues relating to transport and planning) the Policy and Resources Committee decided at its meeting on 22 October 2020 that a bill should be deposited in November 2021. The Office anticipates significant work on this project over the next year. Support is being given to the programme directorate in collating and building the evidence basis and support for a bill promotion.

Parliamentary and Government Inquiries (Objective 3)

5. The Office has submitted the following pieces of written evidence to Select Committees since the last report:
 - to the Committee on the Future Relationship with the European Union's inquiry into the progress of the negotiations on the UK's future relationship with the EU. The submission set out the City Corporation and FPS sector's priorities for the ongoing negotiations, on matters such as equivalence decisions, mutual recognition of qualifications and data adequacy decisions.
 - to the House of Lords EU Services Sub-committee's inquiry into financial services after Brexit, again reflecting the City Corporation and FPS sector's priorities for the ongoing negotiations.
 - to the Environment, Food and Rural Affairs Committee's inquiry into tree planting and forestry. The submission made recommendations on the Government's approach to tree planting targets and set out priorities for established ancient forests such as Epping Forest and Burnham Beeches, as well as for tree planting in city centres.
 - to the Treasury Committee's inquiry into economic crime. The submission set out the City of London Police's role as national lead force for fraud and the work of Action Fraud in countering COVID-19 related fraud and cybercrime, among other matters.
 - A submission highlighting City Corporation concerns regarding proposed changes to the local planning processes and the protections afforded to open spaces was made to the Government's planning White Paper.
6. City of London Police representatives gave oral evidence at two meetings of the Work and Pensions Committee, as part of their inquiry into pension scams. In December, Neil Postins, Service Delivery Manager at National Economic Crime Victim Care Unit, and Pauline Smith, Director at Action Fraud, gave oral evidence focussing on victims' experience of crime. This was followed in January by oral evidence from Commander Clinton Blackburn, National Coordinator for Economic Crime.

Responding to Issues Raised in Parliament and Enhancing Parliamentary Engagement (Objectives 4 and 5)

7. Parliamentarians were provided with a briefing ahead of Commons consideration of the European Union (Future Relationship) Bill, which implements the EU-UK trade agreement in domestic law. A number of members raised financial services and the City Corporation was referenced in the debate by Justice Committee Chair Sir Bob Neill and the City's MP Nickie Aiken.
8. The Office supported the Policy Chair in her oral evidence to the Public Bill Committee for the Financial Services Bill, alongside Emma Reynolds, Managing Director, Public Affairs, Policy and Research at TheCityUK. The Policy Chair raised suggestions from

the International Regulatory Strategy Group for the establishment of a joint Select Committee on financial regulation.

9. City MP Nickie Aiken tabled a written question following concerns raised with her by the Office regarding the impact of the end of the transition period on port health authorities. A reply is awaited.
10. Nickie Aiken was provided with a briefing ahead of her Westminster Hall debate on rough sleeping. The briefing included details of the City Corporation's work to house rough sleepers during the COVID-19 pandemic, as well as the latest statistics on rough sleeping in the City.
11. The Office prepared other briefings for MPs and peers since the last report:
 - to Lord Howell of Guildford ahead of a question on the Integrated Review of Security, Defence, Development and Foreign Policy
 - to Yvonne Fovargue MP following her Westminster Hall debate on online scams to highlight the work of Action Fraud and the City of London Police, highlighting Action Fraud's campaigns on investment fraud and ahead of the Christmas period.
 - to officers of the Japan APPG, Nickie Aiken MP, and those on the speaking list for a Commons debate on the UK-Japan Trade Agreement. This briefing was also shared with Peers speaking in a Lords Grand Committee debate on the same matter.
 - to Karen Buck MP ahead of her debate on homelessness and temporary accommodation details of the City Corporation's work to house rough sleepers during the COVID-19 pandemic, as well as the latest statistics on rough sleeping in the City.
 - to Peers ahead of an oral question promoting a green economic recovery from the COVID-19 pandemic. The briefing highlighted the Green Horizon Summit and the City Corporation's Climate Action Strategy.
 - Briefings were offered to Elliot Colburn MP ahead his debates on support for live events venues and SMEs during the pandemic.
12. The Office contacted a number of parliamentary stakeholders to promote the joint City Corporation and TheCityUK paper Tax Policy for the Recovery. Stakeholders contacted include the Treasury Committee, Lords Economic Affairs Committee and APPGs on Taxation, Financial Markets and Services, Financial Technology, and Business in a Pandemic (COVID) World. The latter has offered TCUK and City Corporation representatives the opportunity to speak on the paper at an event in February.
13. The Policy Chair made a presentation on the City's visa research at an APPG on Migration event, attended by over 100 guests drawn from Parliament and related policy areas. Politicians and others discussed how the business migration system could best fit the needs of employers.
14. A member of the office attended the SNP virtual annual conference. A report on the conference was prepared, including insights from the Corporate Affairs team, which was circulated to Members of the PRED Sub-Committee and with the weekly Parliamentary Brief.
15. The Treasury Committee staff received an update on a number of City Corporation workstreams, including the Green Horizon Summit, Climate Action Strategy and London Recharged report.

GLA and the Devolved Institutions (Objective 6)

16. The Office prepared a briefing for Innovation and Growth's Laura Davison ahead of her appearance before the London Assembly's Economy Committee, at which she gave evidence on the changing nature of work after COVID-19. The invitation to the Corporation to give evidence to the Committee followed an informal briefing session arranged by the Office at which the Policy Chair discussed the impact of COVID on the City.
17. The Office arranged an informal briefing session for the Policy Chair and Port Health and Environment Committee Chairman Keith Bottomley to discuss the City Corporation's Climate Action Strategy with the London Assembly's Environment Committee. As well as actions to be taken by the City Corporation, the importance of working in collaboration with partners across London in reaching 'net zero' was also discussed.

Key priorities over the next month

18. The Office will work with colleagues in Innovation and Growth on the promotion of the forthcoming report on the total tax contribution of UK financial services in 2020 and an IRSG discussion paper on the financial services sector's priorities for the UK's G7 presidency. Consideration will be given to key parliamentarians to engage with and scope for virtual events such as online roundtable discussions.
19. Work will continue in support of the markets' relocation programme and the introduction of a private bill.
20. Submissions from the City Corporation will be drawn up for the Treasury Committee's inquiry into the future of financial services, the HCLG Committee's inquiry into planning, the International Trade Committee's inquiry into Digital Trade and Data and the Housing Community and Local Government Committee's inquiry into local authority financial sustainability and the Section 114 regime.
21. The Office will work to support the case for UK access to the Lugano Convention and other rule of law issues relevant to the City in liaison with the International Law Committee and the related professional bodies.
22. The Office will work with the SNP Westminster Office to arrange a roundtable early in the year.
23. While social distancing guidelines remain in place, preventing face-to-face meetings, engagement with parliamentary stakeholders will remain predominantly online.

The Parliamentary Team
City Remembrancer's Office
14 January 2020

Appendix: Parliamentary Team Objectives

1. Propose amendments or new clauses to Brexit-related legislation to reflect Corporation views and report on the progress of such legislation to Members.
2. Draft and secure the passage through Parliament of Corporation legislation, with a particular focus on securing legislation on relocating the City's markets and gaining support for the provisions included in a Private Member's Bill on air quality.
3. Make submissions to Parliamentary committee inquiries into relevant Corporation issues in collaboration with the Economic Development Office (now Innovation and Growth) and other Departments.
4. Respond to any issues or concerns raised in Parliament in either debates or tabled questions through briefing relevant MPs and Peers.
5. Enhance Parliamentary engagement through direct contact with members of both Houses on key issues and with relevant All-Party Parliamentary Groups.
6. Enhance engagement with the Greater London Assembly and the devolved institutions on matters of interest to the City through briefings and submissions to relevant inquiries.

Committee	Dated:
Public Relations & Economic Development Sub-Committee	14 January 2021
Subject: IG monthly update – January	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Information
Report author: Emily Bryan, Executive Officer, Innovation & Growth	

Summary

The following report provides Members with highlights of the key activity undertaken by the Innovation & Growth Directorate (IG) in November to December 2020 and a forward look for 2021. The activities covered documented in this report focus largely on those lead by the IG team. Activities undertaken in partnership with other teams and departments are also included and have been appropriately termed. Each area of activity is linked back to the objectives outlined in the IG Business Plan.

Recommendation

Members are asked to:

- Note the progress of IG workstreams.

Main Report

The highlights are structured around our four core objectives:

Innovative Ecosystem

1. The T&I team supported the third and final roundtable hosted by the Lord Mayor and Charlotte Crosswell of Innovate Finance, discussing how London can build a stronger offer for UK technology scale ups looking towards an IPO. The two senior-level discussions (including No.10 and HMT attendance) agreed recommendations on the domestic ecosystem for listings and what government and industry could do to support UK tech listing in the UK rather than overseas. We're delighted that following the roundtables, the Chancellor announced the establishment of a taskforce that will propose reforms to the UK listings regime.
2. [Innovation Ambassadors](#), the innovation team's legal innovation pilot, launched with 55 participants from 34 organisations across the UK. The Policy Chair opened an intensive month when participants considered the future of legal services delivery and opportunities for collaboration and innovation.

3. With a year to go until COP26 takes place in Glasgow, the City of London Corporation and Green Finance Institute (GFI), supported by the World Economic Forum, hosted the Green Horizon Summit (GHS) in November 2020. It brought together CEOs, policymakers and governments to focus on the practical solutions and financial innovation necessary to create a resilient and sustainable future for the global economy. A full list of speakers, key announcements and session recordings can be found on the GHS website [here](#). The event generated very high levels of engagement across the three days. Roughly 335,000 livestream views were registered from 110 countries, along with over one million views of GHS-related content on social media. Here is a summary [video of the event](#).

World Class Business Environment

4. The Policy Chair hosted a roundtable with Ivan Rogers, the former UK Permanent Representative to the EU and David Cameron's Advisor on Europe and Global Issues. This was an excellent opportunity for selected industry participants to hear Ivan's thoughts on the on-going EU-UK negotiations. Participants also discussed how the financial sector can help support the economic recovery from COVID-19.
5. [Ground-breaking research on socio-economic background](#) in financial services was launched this week. It found that nine in ten senior roles are held by people from higher socio-economic backgrounds. There were 584 people who attended the launch with Ministers John Glen and Nadhim Zahawi. City of London Corporation partnered with the Bridge Group to deliver the research with eight major employers in financial services. Please share the report with your contacts.
6. The 8th issue of [London RMB Business Quarterly Report](#) was launched in November. The latest data shows that Cross-border RMB transactions between China and the UK surged to RMB633.6 billion between March to July 2020, up 169% year-on-year.

Global Recognition of UK's FPS Offer

7. The Lord Mayor conducted a virtual visit to India earlier this week. The visit harnessed the momentum of the recent UK-India EFD and followed up on key themes outlined by the UK and Indian Financial Ministers' joint declaration. In particular, the visit focused on FinTech and Sustainable Finance. The visit also supported gender diversity in the financial services sector. There were bilateral meetings with GIFT City, India's Smart City, and Edelweiss. The Lord Mayor launched the cohort for this year's UK-India FinTech Awards.
8. Research & Intelligence have recently published a [case study](#) on The Global City featuring an interview with the first company to IPO on AIM since the Covid-19 Crisis. The case study focuses on why the company is in London and the significance of the IPO. Given the opportunity to speak to the first company to list on AIM in a more digitised IPO process, we have also

siphoned some of the material out of the interview separately to feed into our ongoing capital markets research and upcoming report for Q1 2021.

Partnerships & Engagement

9. The Lord Mayor along with several UK financial institutions were invited by the Shenzhen Financial Regulatory Bureau to join a virtual exchange dialogue on social impact finance. During the dialogue six case studies were presented by Shenzhen and UK participants all reflecting on the best practices of their respective social impact finance projects. These social impact projects explored medical care financing, wealth management, and using AI and technology for financing. The dialogue also helped to showcase the UK and City of London leading role in setting trends for social impact finance and investing.
10. The Innovation team successfully bid for funding from BEIS to deliver the ESG Leaders Forum. Initially this will be rolled out in China, with the help of the T&I team. If successful, it may be replicated in other markets to help drive ESG investment through the UK investment ecosystem. The project will be funded through the BEIS PACT (Partnering for Accelerated Climate Transitions) Fund. The project falls under the objectives of the IG business plan, corresponding to outcome 1: Increase asset allocations to green finance, impact and Sustainable Development Goals (SDG) finance.

Priorities on the Business Agenda – early 2021

11. The first quarter in 2021 will be a critical start to the UK's repositioning. It will be the first quarter of a new UK-EU relationship; the first with a new US administration; the beginning of vaccine rollout as we look to a post-pandemic future. Priorities in early 2021 will include:

12. Globally successful UK:

- Competitiveness Strategy: Members have asked for a Competitiveness Strategy, bringing together all the Corporation's work on competitiveness. From the Fraser Report, the core recommendation is for clarity of purpose.
- At the heart of CPR and LM's conversations with FPS leaders will be to ask for their advice. How do we support the world-class business ecosystem already here? How can we grow it in the future?

13. Vibrant and Thriving Square Mile:

- Return to the Square Mile: The Square Mile has taken a major hit. Workers have not been able to return to offices, leaving shops, hospitality and cultural venues empty. So, a major area of focus will be on the return to the Square Mile at the right time. Discussions of a possible campaign to encourage the return are underway across the Corporation (lead by MH and Comms).
- At the right moment, LM and CPR will want to ask businesses about their views on what they think the campaign should look like. And then galvanise their support for delivering it.

- Recovery Task Force for a 'vibrant and thriving' Square Mile: The pandemic has temporarily emptied the Square Mile but how will it reshape it? Firms will want to get their people together to coach, collaborate, create, and nurture a community. Workers want the buzz of working closely with others, in a place with a vibrant offer. But the workplace, and the Square Mile, will look and feel different.
- As well as engaging FPS leaders (cf Competitiveness Strategy), our principals will need to engage key leaders in property and development; culture; retail; and hospitality. What should our Vibrant Offer look like, to complement our world-class business eco-system?

14. Other key issues for early 2021 include:

- a. Benchmarking Study – showcasing London's strengths.
- b. UK as *the* place for Fintech via the Kalifa Review.
- c. Reinforcing the UK's global role via climate finance: COP26 (via Singapore Davos and G7/G20).
- d. Levelling up: UK partnerships focusing on skills, fintech, place-based investment, greentech.
- e. Talent: Social mobility taskforce and immigration pilots.
- f. Reshaping UK regulatory framework for high standards and competitiveness.
- g. Rebuilding the EU-UK relationship, and building US-UK relationships.
- h. Trade and Investment themes such as promoting the UK's great offer on asset management.

Emily Bryan | Executive Officer

Innovation and Growth

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

Committee Public Relations & Economic Development Sub-Committee Policy & Resources	Dated: 14 January 2021 21 January 2021
Subject: City of London EU Strategy	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Information
Report author: Rebecca Wood, Head of European Policy	

Summary

As of the beginning of 2021 the relationship between the UK and EU will significantly change with the end of the transition period.

For three reasons, that relationship will remain crucial, and will require continued engagement with the EU:

- The EU remains an important market for the UK. The UK currently has almost twice as much FPS trade with the EU as with the US.
- The EU's regulatory framework is an important standard setter.
- The UK will remain committed to international standards and will need to influence key players at an international level. The EU will remain an important international player.

Policy & Resources have recently agreed a market plan for Europe, as part of our wider international strategy. This document builds on and complements this work.

Recommendation(s)

That Members note the contents of this report.

Main Report

Background

1. The Corporation's Brussels office coordinates our EU engagement, both there and across EU capitals. We do this through thought leadership, advocacy and engagement with policymakers, regulators and industry. The aim is to improve international market access, regulation and the business environment to support a thriving economy. We work to strengthen the UK's competitiveness to be the world's leading open, sustainable and innovative global hub for FPS.
2. In line with the market prioritisation exercise we have undertaken, the European market remains of strategic importance for UK financial and professional services. The EU is a significant customer for UK financial and

professional services. We export £36.1bn¹ in financial services to the EU. We do almost twice the amount of trade with the EU as we do with our next largest trading partner, the US. The sheer numbers involved in EU trade will mean they remain a significant trading partner.

3. The EU will also remain an important standard setter. The EU often looks to export its standards to other jurisdictions, and is increasingly acting to exploit “first mover advantage” in new areas of policy development (as we have seen recently in green finance). The standards the EU develops will directly and indirectly influence the UK and its competitiveness, either through linking market access to following the EU rules or by setting the policy direction through the development of innovative rules.
4. The UK will continue to be committed to international standards, and therefore we will need to influence other players in these fora. The EU and its Member States actively engage with the FSB, Basel and IOSCO and of course 3 of the G7 are EU members. Therefore, it is clear that the EU is committed to these bodies, and have considerable influence there. Influencing the EU will be important to drive our agenda and achieve our policy outcomes at the international level.

Objectives

5. Based on these identified reasons for engaging with the EU, we have the following objectives:
 - Promote two-way market access and ease of doing business with the EU. Given the importance of the UK/EU relationship to financial services export and inward investment, securing appropriate market access will be important for the future success of the City; this means access for UK entities into the EU, but also access for EU entities to the UK market.
 - Ensure the EU regulatory framework does not adversely affect the competitiveness of the UK industry. As outline above, the development of the EU regulatory framework will impact on the competitiveness of UK financial and professional services. Therefore, influencing this agenda will be key to the City’s future success.
 - Work constructively with the EU in international fora to advance our objectives and policy outcomes. Given both the UK and EU’s commitments to international standards, engaging with the EU to advance shared agendas in these fora will be important. This is also a key part of advancing the UK’s competitiveness, as commitment to and alignment with international standards will help reduce regulatory fragmentation – including between the UK and EU.

Measurement

6. To measure our success in achieving our objectives we will consider the following success measures:

¹ Figure taken from ONS Pinkbook 2018

- A meaningful regulatory dialogue between the UK and EU is established.
- EU companies' commitment to UK presence is continued and there is no significant loss of investment.
- Third country interests are protected in the development of the EU regulatory framework.

Implementation

7. The Corporation has an office in Brussels which coordinates the majority of our EU engagement. Having a presence on the ground gives us access to key EU stakeholders, and we are establishing the Corporation as a centre of knowledge and expertise in the financial sector. Additionally, our physical presence in Brussels acts as a hub for financial sector lobbying in the EU, particularly because many of our key UK stakeholders do not have their own presence in Brussels.
8. We will deliver on these objectives and measures through the development of policy content and an engagement plan to deploy this messaging. The annex to this note sets out in more detail the development of this policy content and engagement targets.
9. An important aspect of our messaging will be to underline that now is the time to move beyond the difficult relationship of the past few years of negotiations. A healthy EU-UK relationship is key for us in the City, not just for the financial and professional services sector, but also the wider economy. Successful financial markets in Europe will be a benefit to the UK and vice versa. We believe that both the EU and UK can succeed and thrive.
10. We also see several shared challenges that it will be important to cooperate with the EU to address. This includes the recovery from COVID-19, building capital markets in Europe, sustainable finance and the digitalisation of the economy.
11. For our engagement targets we will engage with stakeholders in Brussels, but also in Member State capitals. Based on the market prioritisation exercise, we will aim for the following frequency for Member State visits:
 - Twice a year: France, Germany, Netherlands
 - Once a year: Luxembourg, Ireland, Italy, Spain, Poland, like-minded Member States (including Scandinavia, Baltics)

We will also cooperate on a programme of EU engagement with TheCityUK which will complement the above engagement to ensure we meet all key EU stakeholders with appropriate frequency.

12. It will also be key to engage with other third country jurisdictions to discuss areas of common interest (as outlined above) and third country treatment

under EU law. We can then identify areas where we can build coalitions to amplify our messaging.

Corporate & Strategic Implications

13. Strategic implications – this EU strategy is complementary to the Corporate Plan. Specifically, our work with the EU and its Member States will be key to ensure ‘we have the world’s best legal and regulatory framework and access to global markets.’

14. Equalities implications – there are no equalities implications of this strategy.

Conclusion

15. Engaging with the EU will remain important for the success of the City. We need to rebuild the relationships that have been damaged by the difficult political environment of the past few years. The focus of our messaging will be on how we can work together to address shared challenges, whilst also considering the impact of EU actions on the competitiveness of London as a financial hub. We have designed a programme of intensive EU engagement to ensure that we reach the Corporate Plan objective of having ‘the world’s best legal and regulatory framework and access to global markets’

Rebecca Wood

Head of European Policy, Innovation & Growth

E: rebecca.wood@cityoflondon.gov.uk

Annex I – EU engagement and messaging plan

Background

1. The Corporation's Brussels office coordinates our EU engagement, both there and across EU capitals. We do this through thought leadership, advocacy and engagement with policymakers, regulators and industry. The aim is to improve international market access, regulation and the business environment to support a thriving economy. We work to strengthen the UK's competitiveness to be the world's leading open, sustainable and innovative global hub for FPS.
2. Our specific EU activity includes:
 - Engaging closely with key European stakeholders, in line with a detailed engagement strategy which outlines key priorities and relevant stakeholders working in each of these areas.
 - Engaging with European stakeholders in Member State as well as in Brussels, in line with a market prioritisation exercise undertaken with the Trade and Investment team.
 - Using our position in Brussels to act as a hub for financial sector lobbying in the EU. Through close collaboration with other UK Trade Associations we help to coordinate the sector's interaction with Europe.
 - Hosting a series of strategic events in Brussels, and recently virtually, in order to promote UK thought leadership and bring together UK and EU stakeholders for policy discussions.
3. We use the IRSG EU Standing Committee in order to prioritise EU policy areas and actions. We engage on this basis of this prioritisation through responding to consultations, developing positions and communicating on these issues. The IRSG Data Workstream performs a similar function in relation to specific EU data and technological issues, but also considers global developments.
4. In partnership with TCUK we run 5 bilateral dialogues with key Member States (Ireland, Italy, France, Germany, The Netherlands) which bring together key industry representatives to discuss policy issues of shared mutual interest, including green finance and the digitalisation of the financial services sector.

Messaging

5. An important aspect of our messaging will be to underline that now is the time to move beyond the difficult relationship of the past few years of negotiations. A healthy EU-UK relationship is key for us in the City, not just for the financial and professional services sector, but also the wider economy. Although we appreciate that with the UK outside of the EU we are naturally seen as a competitor, we still believe we can have a constructive relationship with the EU. Successful financial markets in Europe will be a benefit to the UK and vice versa. We believe that both the EU and UK can succeed and thrive.

6. We also see a number of shared challenges that it will be important to cooperate with the EU in order to address. These include:
- Recovery from COVID-19:
 - i. Both the UK and EU will have a huge challenge in the recovery from COVID-19.
 - ii. Re-equitising the economy will be a key part of this and capital markets have a vital role to play. We believe global, internationally connected markets with support economic growth, and this includes building capital markets capacity in Europe.
 - Climate change/sustainable finance:
 - i. This is a challenge which requires international action, and will require ongoing cooperation between the UK and our European partners.
 - ii. In the City of London, we believe finance has an important role to play in tackling climate change and other environmental challenges.
 - iii. If we are to succeed, we will need new forms of cross-sector and cross-border collaboration, the removal of barriers to investment, and ultimately the re-directing of more private capital towards climate change mitigation and resilience.
 - Digitalisation:
 - i. The coronavirus pandemic is a stark reminder that the financial service sector cannot be complacent about the speed of digital adoption.
 - ii. Digitalisation is transforming the European financial system and the provision of financial services to Europe's businesses and citizens. We strongly believe that this change should be viewed in the context of a global digital transformation in financial services.
 - iii. Recognising that digital finance does not respect national borders, as likeminded jurisdictions, both the UK and the EU should work together to avoid regulatory fragmentation and support innovation, while ensuring fair levels of data protection and the best result for the customer.
 - iv. The ongoing free flow of data is vital to develop economies and create opportunities for growth. It will be important that future data policies continue to businesses to continue to operate on a cross border basis, given that the EU accounts for 75% of the UK's data flows.
 - v. With the financial sector making ever-greater use of ICT solutions, the risk of cyberattacks is increasing. A coherent approach to cybersecurity can ensure that all European citizens and businesses can benefit.
7. There are also a number of upcoming EU policy actions which may have consequences for the UK
- Action Plan on the Capital Markets Union: a clear focus of the EU is building capital market capacity in the EU. It will be important for the

continued success of London that their approach focusses on keeping EU capital markets open to international investment. There is a risk that they pursue a more “closed” approach which would limit opportunities for London to benefit from their growth.

- **Renewed Sustainable Finance Strategy:** sustainable finance is a key priority for both the EU and UK. The EU has been legislating in this area for some time and clearly considers itself to have a first mover advantage in this area. As they continue to develop their position in this area it will be key for the UK to engage to ensure that the legislation moves in a way that does not negatively impact on the developing market in the UK, and that
- **Review of AIFMD, and possibly UCITS (with possible legislative proposals):** there have been some proposals from ESMA that the EU should seek to examine the amount of fund delegation that happens from the EU to third country jurisdictions. Delegation is an internationally recognised business model, and there is no clear market failure in how this currently operates. London is a key destination for delegation by EU funds and protecting this will be key to the success of London markets.

8. Another important aspect of our messaging will be a detailed vision for the future direction of the UK framework. A separate paper on this will be presented to PRED at a future meeting.

Engagement plan

9. In order to deploy this messaging we have also developed a detail engagement plan. This includes engagement in Brussels, but also in Member State capitals.
10. On the basis of the market prioritisation exercise undertaken with Trade and Investment we recommend the following frequency for Member State visits:
 - Twice a year: France, Germany, Netherlands
 - Once a year: Luxembourg, Ireland, Italy, Spain, Poland, like-minded Member States (including Scandinavia, Baltics)
11. This engagement will be done in close collaboration with other UK Trade Associations, in particular TheCityUK in order to coordinate the sector’s interaction with Europe.
12. We will also continue our extensive engagement with Brussels stakeholders. This includes representatives from the European Commission, Members of the European Parliament and Member State Permanent Representations.
13. As the UK is now a third country, it will also be important to engage with the representatives of other third countries in order to understand the issues they have with the EU and to identify areas where we can build coalitions and amplify our messaging. Our most important third country relationships will be

with the US, Japan, Switzerland and Singapore. We will continue to engage with these representations at a working level, having at least two meetings with them a year. We will also continue to host a third country roundtable with Ambassadors from all major jurisdictions (US, Japan, Switzerland, Singapore, Australia and Canada) as part of the Policy Chair's annual Brussels engagement.

Rebecca Wood

Head of European Policy, Innovation & Growth

E: rebecca.wood@cityoflondon.gov.uk

Committee Public Relations & Economic Development Sub-Committee Policy and Resources	Date: 14 January 2020 21 January 2020
Subject: Innovation & Growth update on Tech	Public
Report of: Director for Innovation & Growth	For Information
Report author: Simon Horner – Innovation & Growth	

Summary

Tech companies are becoming increasingly important in London, and across the UK. The convergence and co-location of technology businesses with our established FPS cluster is a significant opportunity to enhance London's competitiveness. Few other financial centres have this. Technology companies are increasingly considering using their platforms to launch financial products. Established firms are acting more like tech businesses as they consider their use of data and skills. The scope for synergy is significant. We have adopted the following strategic approach to capitalise on this trend:

1. **Products and Partnerships:** where non-FPS firms are launching financial products, on their own or in partnership with regulated firms we will engage and support.
2. **Policy:** areas such as access to talent and skills, data regulation and cloud, increasingly impact both tech and FPS in the same way. Our work in this space can leverage the needs of both.
3. **Growth Finance:** the UK needs to improve its offer as the best place to start and scale a tech business. This applies to fintech as much as cleantech. The barriers to becoming a scale-up destination apply to a spectrum of tech businesses and our work should benefit all of it.

This approach demands that we interact with a broader set of stakeholders. Notably we are ramping up our work with 'Big-Tech' (including Google, Amazon, Facebook, Apple, and Microsoft) and the broader technology sector. The paper reflects the breadth of activity currently being undertaken across Innovation & Growth.

Recommendation

Members are asked to note this report for information.

Main Report

Background

1. Members asked for a report outlining our approach to tech. Innovation & Growth has been increasing our engagement with tech firms for some time to ensure the UK continues to develop a competitive offering.

2. It has become apparent that the broader technology sector is becoming increasingly relevant to our activities. This is for several reasons:
 - **The increasing number of technology companies physically located in and around the Square Mile.** There are approximately 2440 technology firms working in Information and Communication in the Square Mile. This represents 10% of city firms.
 - **The integrated and commonly used technology being provided by these firms.** This includes artificial intelligence, biometric recognition, data analytics, natural language processing, cloud computing, and blockchain.
 - **The increasing tilt towards financial services by Big Tech** and other companies, whether through the provision of bank accounts, payment applications, or digital currencies.
3. The convergence of tech and finance also has implications for our regional work. The UK hosts some of the world's leading cities for the development, financing, and adoption of technology. London, Liverpool, Edinburgh, Belfast, Bristol and Leeds are well-known hubs for emerging technologies including greentech, insurtech, fintech, and lawtech, but global leadership is contested.

Our Approach

4. Innovation & Growth is focused on enhancing the UK's position as a leader in technology and innovation. A key objective of our 2020/21 Business Plan is to position the UK as a global leader in technology adoption. We do this in three ways:
 - **A: Products and partnerships:** where non-FPS firms are launching financial products, on their own or in partnership with regulated firms we will engage and support.
 - **B: Policy:** areas such as access to talent and skills, data regulation and cloud, increasingly impact both tech and FPS in the same way. Our work in this space can leverage the needs of both.
 - **C: Growth Finance:** the UK needs to improve its offer as the best place to start and scale a tech business. This applies to fintech as much as cleantech. The barriers to becoming a scale-up destination apply to a spectrum of tech businesses and our work should benefit all of it.
5. As we deepen our relationships with tech firms, we apply this approach accordingly. We engage with Big Tech particularly on **Products and Partnerships**. In banking and payments. Big Tech firms are playing a bigger role either on their own or in partnership with established FPS or even fintechs. The opportunity here is to support widespread integration of technology into FPS to evolve its offer and improve competitiveness.
6. On **Policy**, our work on data cannot be restricted to financial services. Whilst FPS can be a sector leader, what will define our competitive success is the UK's economy-wide approach to data. Similarly on skills, the needs of FPS and Big-Tech businesses for digital skills are converging.

7. On **Growth Finance**, we also engage with the technology community, whether it be start-up or scale-up enterprises. For example, those working on technological solutions to address common challenges such as Covid-19, or those providing Greentech solutions that will enable the UK to hit its net-zero target.
8. As technology becomes increasingly relevant, we see this as a mutually beneficial opportunity to boost competitiveness. We can support innovation and London's role as an attractive technology ecosystem. But we can also prioritize interoperability between FPS and technology to improve service delivery and global reach.

Engagement & Activity

9. The following provides a summary of our engagement and activity across the three areas set out above

A: Products and Partnerships

10. **London Recharged:** London Recharged is a report on the possibilities for London as a global city. It addresses how London can respond to some of the pressures Covid-19 has put on its global competitiveness. This includes the future of technology from a smart-city perspective and the importance of creating spaces for innovative, cross-industry partnerships to thrive.
11. **Digital Sandbox pilot:** A key element of the Digital Sandbox Pilot is providing a virtual collaboration eco-system. This includes opportunities for regulated entities to mentor and work with non-FPS firms on developing technology solution for issues exacerbated by the Covid pandemic. Both incumbent FPS firms and Big Tech firms are participating alongside fintech users.
12. **Innovation Ambassadors:** The Corporation piloted a legal innovation programme designed to highlight the possibilities of technology in legal services and increase cross-sector collaboration. The 4-week programme included key firms like BAE Systems, Rolls Royce, Monzo, Inmarsat, and KPMG.
13. **LawTech Sounding Board:** A cross-industry forum for discussion on the use of technology in legal services delivery. The forum encourages collaboration between firms, in-house teams (across different sectors), government, regulation, and technology.

B: Policy

14. **Fintech Strategic Review:** There is considerable focus on ensuring access to the necessary skills and talents alongside regulatory issues like data and digital ID that have resonance across the broader tech sector.
15. **Data:** The IRSG has launched a report in partnership with DAC Beachcroft on the impact of data localisation on the financial services sector. Many of the themes and recommendations explored also apply beyond financial services.

The Corporation also participated in an internal stakeholder workshop on the role of data as a social utility. This is part of a broader workshop series by the Recovery Taskforce and is led by Oliver Wyman.

16. **Cloud research and roundtable:** The Corporation hosted an FPS Cloud Roundtable in collaboration with the Bank of England. Attendees discussed the need for greater cloud adoption and how the sector could work together to improve interoperability of services. Follow-up work also included research on SME access to cloud with stakeholders across the Square Mile.
17. **Whitechapel Think Thank:** We act as secretariat for the WTT which brings together experts from across FPS, technology, government and academia to discuss the role of blockchain technology. The WTT has published a report on the potential impact of digital currencies on the payments system.

C: Growth Finance

18. **Finance for Sustainable Growth:** the Corporation commissioned research into the financing journeys of 850 Greentech businesses across the UK. We found a series of cold-spots where insufficient financial, policy or commercial support was available. The Corporation is exploring solutions through a series of roundtables, the first of which took place in December in the North East.
19. **Fintech Strategic Review:** The Investment chapter of the Review will include recommendations for increasing access to domestic institutional capital for high growth Fintech/tech companies.
20. **IPO Roundtables:** The Lord Mayor co-chaired a series of roundtables with a wide group of technology and FPS representatives. These involved discussion on the status of London as a listing destination for technology companies.
21. **VC Campaign:** This campaign focuses on strengthening the pipeline between US-based VCs and UK Fintechs. This includes showcasing UK Fintech and the UK's associated technology capabilities to international investors.
22. **London Office for Rapid Cybersecurity Advancement:** A cyber security accelerator where the Corporation sits on the Advisory Board and plays a role in strengthening the pipeline between LORCA members and FPS.

Conclusion

23. In our work the focus is one of **collaboration and convergence**. The City Corporation is ideally placed to help foster collaborative relationships between Big Tech, broader technology, and FPS to improve internal efficiencies and evolve service delivery. Such collaboration is vital to ensuring that the UK remains competitive and able to fulfil its potential.

Simon Horner | Innovation Director
Innovation and Growth
simon.horner@cityoflondon.gov.uk