

Committee(s) Public Relations & Economic Development Sub-Committee	Dated: 8 January 2019
Subject: Overview of the City Corporation's Legal Services work	Public
Report of: City Remembrancer's & Director of Economic Development	For information
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Summary

The City Corporation is involved in a wide range of initiatives working with the UK legal sector and has strong links across the industry and relevant Government departments. The City Corporation is keen to try and ensure that the legal sector is being provided with an adequate platform to provide input to Government on important issues affecting it and to collaborate with other key partners such as The Law Society and Ministry of Justice to promote UK legal services to both a domestic and international audience. Despite the wealth of activity already underway we continue to look for new opportunities to work with the legal sector, including by exploring developing areas such as smart contracts, artificial intelligence and legal technology more generally.

The City Corporation has a key role to play in supporting the UK legal services industry and is in a unique position to draw upon its experience across a wide range of activities from court management to parliamentary engagement and to employ the wealth of legal knowledge running all the way through the organisation to promote London, along with the wider UK, as a global legal centre.

Recommendation

Members are asked to:

- note the work currently being undertaken and endorse the outlined direction of travel.

Main Report

Background

1. At the November meeting of the Public Relations & Economic Development Sub-Committee, Members noted their interest in the work that the City Corporation is undertaking on legal initiatives in partnership with other organisations, such as the Brexit Law Committee, and asked for an overview of this work to be submitted to the Sub-Committee in due course.
2. This report has been prepared in response to that request and following discussions with a number of officers and Members involved in the various legal initiatives that the City Corporation is participating in. It sets out our existing work by theme as well as highlighting other areas of potential activity which we will

continue to monitor and consider participating in as and when the opportunity arises.

The role of the City Corporation in supporting legal services

3. The City Corporation has a long connection with the legal system, including through its roles in relation to the Old Bailey, the City Magistrates Courts, the Mayor & City's Courts and the Lord Mayor's role in relation to the magistracy. The legal sector – courts and profession – is also a major part of the City ecosystem.
4. Over the past eighteen months, requests for our input on legal services issues have increased, partly in response to Brexit.
5. This increased demand and the importance of the legal sector to the City and the City Corporation is reflected in the Corporate Plan for 2018-23, cutting across its three aims to 'contribute to a flourishing society, shape outstanding environments and support a thriving economy', with particular relevance to Outcome 6 - We have the world's best legal and regulatory framework and access to global markets – and Outcome 7 – We are a global hub for innovation in finance and professional services, commerce and culture.

Current legal work

Stakeholder/business engagement

3. **The Law Society** is a key partner for the City Corporation and we engage with its officers on a regular basis including through quarterly meetings co-chaired by the Policy Chair and Stephen Denyer, Director of Strategic Relationships at The Law Society. The City Corporation and The Law Society provide each other with a platform to promote work of mutual interest and the Policy Chair recently met with the current President to discuss potential collaboration and support on various projects promoting diversity in the legal profession. In mid-December the Policy Chair also attended a private dinner with the next President of The Law Society to help shape the strategy for his upcoming presidency.
4. The Policy Chair is a member of the **Professional and Business Services Council** (PBSC) which meets on a quarterly basis and is co-chaired by Nick Owen of Deloitte and Richard Harrington MP and aims to help the PBS sector thrive in the UK and overseas by influencing Government decisions to promote growth. The representation of the legal services sector is an important aspect of the PBSC and the City Corporation's involvement provides a good opportunity to both hear views from and contribute on behalf of the sector. Mary Kyle in EDO acts as the City Corporation's Sherpa for the Council.
5. The City Remembrancer's Office is a patron of the **Financial Markets Law Committee** which is a registered charity run out of the Bank of England whose work focuses on identifying issues of legal uncertainty in financial markets. The City Remembrancer attends meetings which take place on a quarterly basis and this provides a good opportunity to engage with key stakeholders from across the legal services sector.

6. **Legal UK** is a cross-legal services sector group which seeks to represent the wider views of the UK legal sector on issues of importance including Brexit and the promotion of English law and English and Welsh courts. The City Corporation is generally represented by either the City Remembrancer or Alderman Sir David Wootton.
7. The City Corporation is a member of **TheCityUK's Legal Services Group** and represented by Alderman Sir David Wootton. Priorities of the Group include providing strategic responses to UK, European and global developments which have the potential to impact both positively and negatively on the UK legal services sector and producing an annual legal services report in conjunction with members and stakeholders.
8. The City Corporation is represented on the **Ministry of Justice Legal Services Working Group** by Aimee Burnham in EDO. Other members of the Group include representatives from solicitors' firms, The Law Society, The Bar Council, DIT and the Judicial Office. The Group meets on a monthly basis and provides an opportunity to share information about upcoming events, international visits and to explore potential collaboration on projects.
9. The City Corporation has an **account management programme** for legal services which runs through EDO's Global Exports and Investment team who have a number of strong relationships with key City-based UK and international legal services firms. This helps us to understand the business priorities emerging from the legal sector and ensures that we have strong messaging supported by business when we promote UK legal services overseas.

Brexit

10. The City Corporation is represented on the **Brexit Law Committee** by Alderman Sir David Wootton. The objectives of the Committee are to work with Government to provide a forum for consideration of and reporting on legal and commercial issues relating to Brexit and developing strategies for maintaining and enhancing the utilisation after Brexit of English law and English legal services (including all forms of dispute resolution). The meetings regularly include Brexit updates from the Ministry of Justice (MoJ) and the Department for Exiting the EU (DExEU).
11. The **Mutual Market Access Working Group** is a working group of the PBSC which is attended by the Policy Chair and focuses on the challenges faced by the PBS sector in light of Brexit. A legal services sub-group was also set up and the MMAWG has produced a number of papers setting out the sector's key asks from the Brexit negotiations which were shared and discussed with Government including through an event organised by the City Corporation in Parliament.
12. The **Financial Markets Law Committee** has produced a number of resources in relation to Brexit including as part of its recent publication on Issues of Legal Uncertainty in the Wholesale Financial Markets. The City Remembrancer is a member of a number of the Committee's working groups and reports to its Brexit Advisory Group.

Promoting the use of English law and UK-based dispute resolution

13. There are a number of external campaigns that the City Corporation is involved in which promote London as an attractive dispute resolution centre. These projects encourage parties to adopt English law as the governing law of their contracts and to elect for any disputes to be resolved by the English and Welsh courts and/or through London-based arbitration. These include The Law Society's **Global Legal Centre** campaign and the MoJ's **Legal Services Are Great** campaign. The City Corporation has been involved in attending promotional events and disseminating relevant publications and messaging amongst contacts to support these projects.
14. EDO is also undertaking a research programme on **Promoting London** with a view to producing a number of reports and a high-profile website. As part of this workstream officers in EDO have been carrying out interviews with key individuals across the legal services sector to understand and showcase the role of legal services in London and the UK's unique offer to financial and professional services businesses.
15. The City Corporation is currently in discussions to host a **Belt and Road Legal Services Roundtable** to engage with the UK legal community to explore options for promoting the use of English law and UK-based dispute resolution, including London-based arbitration, in Belt and Road-related contracts.

Legal Technology

16. The City Corporation has been exploring its role in supporting the growing **Legal Technology community** based in London and across the UK. This aligns both with our legal services work and with our wider work in supporting technological innovation, including through the Lord Mayor's 2018/2019 theme 'Supporting Tomorrow's City Today', and our support for fast growing and innovative tech businesses, including through our backing of Innovate Finance.
17. In the first instance this has involved creating a network of key individuals and businesses operating in this area to gain an understanding of the main challenges and opportunities faced in developing and promoting the use of legal technology. The next steps include forming a **Sounding Board** of representatives from across the legal sector, Government, business and academia who can provide input on existing projects and advise on how the City Corporation can best add value and promote UK legal technology.
18. The City Corporation has also confirmed its interest in becoming involved with the **LawTech Delivery Panel** which is a Government-backed initiative exploring how to support global innovation in the justice sector and encourage the widespread development and use of legal technology in the UK. The work of the Panel is focussed on six areas including Commercial Dispute Resolution, Regulation and Ethics.

19. The City Corporation has been approached by **The Law Commission** to provide input on a research project that it is carrying out on smart contracts and ensuring that the law is suitable for blockchain legal contracts to be executed automatically. We are in the early stages of engaging with The Law Commission but have agreed to host a roundtable on these topics to help raise their profile across business and Government and we will continue to provide input and guidance on the project as it moves forward from the initiation phase to consultation.

Engagement with the Courts and Judiciary

20. The City Corporation's partnership with **HM Courts & Tribunals Service** on the **New Combined Court Facility** at Fleetbank House offers a unique opportunity to promote London as a key legal centre and to showcase the state-of-the-art facilities which the new court building will incorporate. The court's specialist focus on economic and cybercrime also promotes the UK as being a global leader in tackling these issues and provides additional opportunities for stakeholder engagement across the legal community.

21. The **Judges' Dinner** takes place at Mansion House annually and provides an opportunity for the Lord Chancellor and the Lord Chief Justice to address members of the judiciary and thank them for their work during the previous year. The Dinner provides an opportunity for the City Corporation to engage with key stakeholders and connect individuals from across the legal services sector.

22. The **Old Bailey Judges' Lunches** organised by the Sheriffs provide regular opportunities for the City Corporation to engage with senior stakeholders across business, Government, military, diplomats, charities and the Livery. They also reflect the key operational role of the Sheriffs in ensuring that the Judges are able to operate effectively in their role.

23. The **High Sheriffs' Reception** provides an annual opportunity to draw together the High Sheriffs from across England and Wales who support High Court Judges when on Circuit. Many of the High Sheriffs are also taking an increasingly active role in their communities and the reception provides an important insight into the work that is being undertaken outside of London and opportunity to share knowledge and experiences from across the UK.

24. The **Magistracy and Livery Sub Committee of the Court of Aldermen** comprises Aldermen who hold judicial office and acts as a liaison, amongst other things, with the Central London Bench.

25. We are aware of other work undertaken by the **Recorder** along with HM Courts and Tribunal Services which may also be relevant to this Report and which we will update on in due course.

Parliamentary engagement

26. The City Remembrancer in liaison with Charles Clarke of Linklaters produced a number of **amendments to the European Union (Withdrawal) Bill** on legal interpretation prompted by the work of the IRSG. This gave rise to an explanatory

letter on interpretation deposited in the House by the Solicitor General and various parliamentary undertakings. Work for the introduction of a **Private Members' Bill on air quality** is nearing completion. The Office has briefed extensively on **continuity of contracts** and the Corporation's explanatory note produced by EDO on the subject has been well received.

27. The team has **briefed for two debates in Westminster**. In one debate, Bob Neill MP noted that "the Law Society, the Bar Council, the City of London Corporation, TheCityUK and others in the sector are looking for the Government to maintain the position of UK legal services once we leave the EU". In a second debate on the provision of legal services after Brexit, the promoter of the debate, Jonathan Djanogly MP referred to a City Corporation briefing on the importance of contract continuity.

Opportunities for further work

28. In addition to the work already being undertaken we have highlighted a number of areas of potential opportunity for City Corporation involvement going forward and we will be keeping these projects under review and increasing our engagement as and when appropriate.

Stakeholder/business engagement

29. The **International Bar Association** will hold its annual conference in Seoul in September 2019 and will bring together key legal practitioners from across the globe. We will be liaising with The Law Society and other key partners involved with the conference to discuss the City Corporation's attendance, via the Policy Chair.
30. We are aware of a number of other organisations with whom it may be useful to form partnerships to increase our stakeholder engagement including the **City of London Law Society**, the **London Solicitors Litigation Association** and the **American Bar Association**. We will continue to explore potential opportunities to collaborate with these entities.
31. It is also worth noting that a number of **members of The Common Council and Court of Aldermen** carry out roles as solicitors, barristers and/or members of the judiciary. We will continue to explore how best to involve these individuals in our work on legal services.

Brexit

32. The City Corporation has been approached by members of the **intellectual property community** to raise awareness of potential difficulties that will be faced by that specific part of the UK legal sector as a result of Brexit. We are in the process of considering how best we can engage with that community and what assistance we may be able to offer through the organisations with which we are already involved.

Promoting the use of English law and UK-based dispute resolution

33. **International Dispute Week** is being held in London during the second week of May 2019 and Mansion House has been hired as the venue for a Gala Dinner. We will be speaking to hosts and partners of the event to consider how best we can be involved to show our support for the event and, as appropriate, use it as an opportunity to promote the UK as an international dispute centre.
34. An important piece of work was carried out by Linklaters LLP in late 2017 on **strengthening the Rule of Law to boost competitiveness** and the City Corporation is continuing to explore opportunities to partner with Linklaters to promote the messages arising from their work to our stakeholders and the wider business community.

Legal Technology

35. The **Business, Energy and Industrial Strategy Department** is exploring the role of legal technology, including through a piece of research on Unlocking the Potential of AI for Law. We will continue to meet with them on a regular basis to discuss our mutual interest in this area of work and legal technology more generally.
36. We are connected to the **Global Infrastructure Hub** which is researching the potential application of blockchain technology and smart contracts for infrastructure transactions. We will continue to monitor this project as it progresses.

Engaging with the Courts and Judiciary

37. Early discussions are taking place about the possibility of holding a joint event with the **Irish Judiciary** to promote the Common Law with the Old Bailey being considered as a potential venue.
38. An opportunity is being explored to host regular **dinner with the Inns of Court** to further strengthen our engagement with the barrister and judicial community. These have been previously held on an ad hoc basis, but there may be value in fixing them as an annual event.
39. The City Corporation has been approached to partake in discussions about the potential merits and concerns relating to the creation of a **Financial Services Tribunal**.

Financial, Corporate and Strategic Implications

40. This work will be delivered through existing officer resources and there is no call for additional resources or any financial implications at this stage. As specific activities are developed, the funding of specific trips and events may be required.
41. The legal services work supports the City Corporation to deliver the following outcomes within the Corporate Plan for 2018-23:
- Outcome 4: Communities are cohesive and have the facilities they need.
 - Outcome 5: Businesses are trusted and socially and environmentally responsible.

- Outcome 6: We have the world's best legal and regulatory framework and access to global markets.
- Outcome 7: We are a global hub for innovation in finance and professional services, commerce and culture.
- Outcome 8: We have access to the skills and talent we need.
- Outcome 10: We inspire enterprise, excellence, creativity and collaboration.

Conclusion

42. The wide range of work currently being undertaken on legal initiatives reflects the broad range of legal interests and expertise running across the City Corporation. Our high level of engagement with the legal sector recognises the importance of UK legal services to the wider economy and this work will continue to be a priority for the City Corporation and is reflected in a number of the Corporate Strategy objectives including to promote regulatory confidence founded on the rule of law and to preserve and promote the City as the world-leading global centre for financial and professional services.

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