

<b>Committee</b>	<b>Dated:</b>
Public Relations & Economic Development Sub-Committee	10 October 2019
<b>Subject:</b> IG monthly update – October	<b>Public</b>
<b>Report of:</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Information</b>
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### Summary

The following report provides Members with highlights of the key activity undertaken by the Innovation & Growth Directorate (IG) in September 2019. 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 sustainable development capital initiative (SDCI) hosted a workshop with asset managers who have a specific interest in Africa. We tested SDCI's proposal to shape and develop an Sustainable Development Goals (SDG) Investment Trust as a way to mobilise mainstream flows of capital from the City into emerging markets. The next steps will be to sustain market engagement up until the UK-Africa Summit, where the SDCI will showcase the outcomes of this activity.
2. The Skills team attended a McKinsey roundtable on the future of women at work. One of the emerging conclusions was that automation will transform the labour market, which is likely to reduce the demand for low skilled and repetitive work - jobs predominantly held by women. Up to four million women in the UK will therefore need to transition occupations by 2030. For financial and professional services (FPS), this could mean 400,000 workers transitioning to new jobs. The Skills Taskforce will report on these issues in the autumn.
3. The IRSG Council took place, where financial regulators updated members on the current state of play in the Brexit negotiations. In terms of financial services legislation, the UK is seen as relatively well prepared for a no deal outcome, although there are concerns at the levels of preparedness of smaller companies. Two external commentators also agreed that a deal before 31 October was unlikely.

4. The Innovation team hosted an event at Barclays Eagle Labs regarding the use of Artificial Intelligence (AI) in the legal sector. We moderated the discussions which included input from law firms, tech start-ups and The Law Society on how best to approach the challenge of successfully integrating AI into legal processes.
5. The Policy Chair chaired the second meeting of the City Corporation's LawTech Sounding Board bringing together representatives from government, law firms, in-house legal advisers and tech companies. The board is continuing to explore solutions for increasing the adoption of technology across the legal sector.
6. In cyber and economic crime, we attended the Cambridge Economic Crime Symposium. The topics covered a wide range including technologies, financial sector, Financial Action Task Force (FATF) and recent trends and developments. The Lord Mayor and City Police Head of Economic Crime spoke at the opening of the event and officers attended the full week of discussions. As a result, we have held meetings with Joint Money Laundering Task Force, Royal United Services Institute and UK Finance. This is with a view to plan round table discussions in both Brussels and the London on best practice and current trends. We are also gathering best practice messaging that senior leaders can share in meetings where economic crime comes onto the agenda.

### **World Class Business Environment**

7. The Skills team supported the steering board of future.now, the coalition aiming to motivate people and businesses to boost digital skills. The board met to agree on governance, resourcing, and a directory of digital skills providers. Member organisations include Lloyds Banking Group; BT; Accenture; Brunswick; the Department for Education; the Department for Digital, Culture, Media and Sport (DCMS); Good Things Foundation, and Six.
8. The IRSG Data workstream group met and Members received an update on papers, including from techUK on a forthcoming publication focusing on digital trade and data localisation. Officials from DCMS also provided an update on no-deal planning and welcomed suggestions of EU industry bodies that could benefit from engagement.

### **Access to Global Opportunities**

9. The Regulatory Affairs team attended the inaugural meeting of the Expert Trade Advisory Group (ETAG) at the Department for International Trade, which has been established to shape the UK's objectives for post-Brexit services trade.
10. The Trade & Investment team supported the annual Chile Day conference, which was attended by senior stakeholders from Chilean government and industry, including the Minister of Finance, the Governor of the Central Bank of Chile and the National Cyber Security Advisor, who came to engage on areas such as green finance, cybersecurity and fintech. The delegation also met the Secretary of State for International Trade, the Bank of England, London Stock Exchange and City of London Police, among others.

11. The Corporation engaged with the global FPS community at the annual Sibos conference and exhibition held at Excel London. Given the UK's position as a global hub for innovation, there was a particular spotlight on fintech alongside the broader FPS focus, with both UK and international fintech firms exhibiting in the 'Discover Zone'. Alongside London & Partners and Department for International Trade, the City Corporation will be present at the conference and exhibition and the Lord Mayor was invited to participate on a panel at a Global Leaders Forum on 25 September. The City Corporation also hosted a VIP networking reception at the Guildhall, where the Lord Mayor spoke and saw representatives from across the FPS sector attend as well as a senior VIP delegation from Sibos.

### **Global Recognition of UK's FPS Offer**

12. The Trade & Investment team successfully delivered the Asian Financial Cooperation Association Green Finance International Forum and the UK-China Business Leaders Forum, which was then followed by a dinner, at the Guildhall. Attendees included Minister Counsellor Bao Ling from the Chinese embassy, the Bank of England's Deputy Governor Sam Woods and H.E Ambassador Liu Xiaoming.

13. We released 'Greening the Belt and Road: A UK-China collaboration' at the Chinese business conference and dinner, held at the Guildhall. The report highlights the role that specialist UK advisory expertise can play in embedding environmental sustainability into major Belt and Road infrastructure projects, improving the environmental impacts of major development across the world.

14. To promote the UK as a leading centre for trade and investment, we launched Working with you: the UK's global offer for FPS at the International Trade Dinner. The report is part of the [www.globalcity.uk](http://www.globalcity.uk) campaign and sets out the UK's offer for international FPS.

15. Islamic Finance Week – the largest event of its kind in Europe – took place at Mansion House and brought together stakeholders from across the sector. The Lord Mayor also gave a keynote speech highlighting the UK's position as the top Western centre for Islamic Finance and how London is leading in some important topics for Islamic Finance, such as fintech and Green Finance.

16. The Trade & Investment team joined the Lord Mayor on his visit to India and Nepal. They will also be accompanied by a business delegation (including Revolut, TransferWise and Aon). There was a wide range of engagements with businesses, government organisations and trade associations – all with a view to promoting the UK as a key knowledge partner for India.

17. The Innovation team attended the first International Green Finance Coordination Group meeting in Whitehall. The group's objective is to share information between government departments and others involved in promoting the UK's green finance offer. COP26 (26th Conference of the Parties) will be held in Glasgow in November 2020, and the group's first task is to brainstorm and collate possible announcements for COP.

18. The Trade & Investment team hosted a delegation of Brazilian Pension Funds. The UK government has supported regulatory change to attract investment

from Brazilian institutional investors through the Economic Financial Dialogue. The visit was therefore an opportunity to build stronger relationships between pension funds and UK asset managers. The ongoing dialogue has led to several UK-based asset managers looking at investment opportunities in Brazil, while Brazilian investors are keen to learn lessons around regulation and governance from the UK.

19. The Research team presented a session at New London Architecture's 'Commerce, Culture and Creativity' annual conference. The presentation explored how the City's evolving business and commerce offer, from physical trade through to knowledge-intensive industries, has from its foundation been underpinned by the core strengths of connectivity and clustering – with the recent diversification into Technology, Media and Telecoms (TMT) reinforcing those strengths.

## **Partnerships and Engagement**

20. The Trade & Investment team accompanied CPR, at a "Leeds in London" event co-hosted by Leeds City Council and The British Library. The event explored the reasons why major creative and digital organisations have chosen to base themselves in Leeds (e.g. Channel 4, Reed Smith and Burberry) and provided an opportunity to identify ways to collaborate and support the growth of the industry in Leeds.
21. Our Brussels Office hosted the Brussels launch of TheCityUK and PwC's report "Operational Resilience in Financial Services: Time to Act". The event was well attended by a range of stakeholders, including representatives from EU Permanent Representations, third country missions and financial services firms.

### Appendices:

1. Working With You: the UK's Global Offer for Financial and Professional Services
2. Greening the Belt and Road: A UK-China Collaboration

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