

<b>Committee</b>	<b>Dated:</b>
Public Relations & Economic Development Sub-Committee	11 February 2021
<b>Subject:</b> IG monthly update – February	<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 January 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 UK-India Sustainable Finance Forum met for the first time. The Indian government revealed they have adopted several actions we recommended, including developing a sustainable finance strategy and expediting work on a local taxonomy. We will continue to progress practical actions with UK and Indian govts ahead of the G7 (D10) and COP26 later in the year.
2. The innovation team launched its report on the Innovation Ambassadors pilot programme. The report outlines the four-week virtual legal innovation programme, the teams' challenge-led solutions and next steps. Read the report: <https://www.theglobalcity.uk/resources/innovation-ambassadors>.

#### World Class Business Environment

3. The newly established taxonomy subgroup of the IRSG ESG workstream met in January. Members discussed what the UK would have to do to translate the current EU taxonomy into UK law. There was agreement that, in the short term, the IRSG ask should be for HMT to adopt as far as possible the EU taxonomy

and to share with HMT the IRSG's understanding of the issues that need to be addressed to make it work in practice.

4. Research has launched our major competitiveness report "Our global offer to business: London and the UK's competitive strengths in a challenging world". We benchmark the UK's offer to financial and professional services against other business centres such as the US, Singapore, or Hong Kong. London and the UK perform consistently well with the strongest overall competitive offer. The UK's world-leading competitiveness is built on longstanding strengths accelerated by a commitment to innovation. But the research also highlights opportunities and areas for improvement. Please find all report findings on The Global City website ([theglobalcity.uk/competitiveness](https://theglobalcity.uk/competitiveness)) and share widely with your networks.
5. 550 people signed up to the above launch event, the report's findings were picked up by many media outlets including the Financial Times. We also had more than 800-page visits on our Global City website over one weekend, with people spending a longer-than-average 4 minutes and 12 seconds on the report pages.
6. The IRSG has produced a paper for key areas of focus in financial services for the UK's presidency of the G7 this year, entitled, '[Financial services priorities for the UK's G7 presidency](#)'. It advocates four areas of focus: global regulatory coherence for pandemic recovery; leadership on climate agenda ahead of COP26; digital policy continuity, including digital taxation; and alignment with G20 global policy priorities. The recovery from the COVID-19 pandemic, climate change and digital agenda will all be central to the UK's presidency and the IRSG recognises the importance of the UK of demonstrating global leadership on these vital issues by fostering international cooperation. With this financial services roadmap for UK's G7 presidency, the IRSG aims to ensure that the presidency tackles the most pressing challenges for the global economy.
7. As notified at the September PRED, HM Treasury and BEIS have commissioned CoLC to lead an independent taskforce. The taskforce aims to boost socio-economic diversity at senior levels across UK financial and professional services. This taskforce has been led by evidence. Research authored by the Bridge Group, shows that employees from lower socio-economic backgrounds progress 25% slower than peers, with no link to performance. These employees are exhausted by efforts to conform to dominant cultures, impacting individual performance.
8. The taskforce will be led by a Strategy Steering Group; Catherine McGuinness, and three Co-Chairs: Alderman Vincent Keaveny, Sandra Wallace and Andy Haldane. The first Strategy Steering Group meeting was held on 19th January, with representatives from BEIS and HM Treasury in attendance. The group advised on taskforce appointments and discussed the desired impact, outputs and metrics of the taskforce. There are three workstreams of the taskforce, supported by delivery partners, PwC, Deloitte, MyKindaFuture.

9. The first taskforce meeting will be on 10th May 2021, attended by Lord Grimstone (Minister for Investment jointly at DIT and BEIS). 30 senior level individuals will be recruited onto the taskforce, drawn from nearly 80 written expressions of interest.

### **Future work**

10. As part of our focus on future international competitiveness of key City sectors, we plan on working on a report on the Future of the London Market. Our framework partner would be Aon to give a global/US perspective, but we would also look to bring in views from HMT, Lloyd's, a major underwriting firm, trade bodies and parliament. Themes are likely to include the protection gap, the role of data, climate and sustainability, London's standing as an international hub, the domestic commercial insurance agenda, and skills and diversity. The target audience of this report would be current and future global investors in and clients of the London Market, as well as policymakers and regulators. The report would not explicitly lobby on regulation or legislation, but rather present arguments and collateral for the continued significance, relevance and re-invention of the London Market, benefitting the City, the UK and the world.

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