

<b>Committee:</b> Public Relations & Economic Development Sub-Committee	<b>Dated:</b> 4 March 2021
<b>Subject:</b> IG monthly update – March	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	
<b>Report of:</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Information</b>
<b>Report author:</b> Emily Bryan, Executive Officer	

### Summary

The following report provides Members with highlights of the key activity undertaken by the Innovation & Growth Directorate (IG) in February 2021 and future activities taking place in March 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 Corporation has played an active role supporting the independent Review into UK fintech, commissioned by the Chancellor and HM Treasury. The Review was led by Ron Kalifa former CEO of Worldpay who published the Reviews final report and recommendations on 23 February. The report is a culmination of many months of engagement across the financial services and tech industries to benchmark the UK against its peers and sets out a blueprint for the successful and sustainable growth of our fintech ecosystem. Through a five-point plan that spans policy and regulation, skills, investment, national connectivity and international competitiveness, the Review sets out a clear

strategy and delivery plan to ensure that the UK can capitalise upon the opportunities fintech presents to create quality jobs and level up the country, increase financial inclusion and play a key part of “Global Britain”.

2. The Digital Sandbox Pilot, jointly sponsored by COL and the FCA, closed in February with a series of three demonstration days. These showcased the solutions developed using the novel features and digital testing environment. The Pilot had over 800 registered users, who observed, mentored, and communicated with the 30 teams throughout their ten weeks of development.
3. 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](#).
4. The Innovation Team is in discussions with private market participants facilitating trade in voluntary carbon offsets. With support of central government, we will be leading a delivery group of market participants committed to scaling up a liquid and high-integrity carbon market in the UK.
5. We launched a new video series on the lawtech lifecycle. This case study series highlights how legal services are innovating with technology to deliver more client-oriented, resilient, globally accessible services. It also looks at the benefits the UK lawtech environment provides, both for businesses operating in the UK and for technology looking to develop here.

## **World Class Business Environment**

6. Letters from CPR/SABTAC went to over [50 senior leaders](#), appointing them to a new taskforce and its Advisory Board. Commissioned by HMT and BEIS, the taskforce aims to boost socio-economic diversity at senior levels in UK FPS. Bilateral meetings are being scheduled between taskforce members and respective Co-Chairs (Sandra Wallace, Alderman Keaveny, Andy Haldane). An announcement of appointments is planned for March.
7. IG is supporting research into the regional and national skills needs of financial and professional services employers. Led by the Financial Services Skills Commission (FSSC) and the Professional and Business Services Council, the research will inform policy recommendations for employers, associations and government. There are a series of regional discussions taking place, led by TheCityUK, to inform the report (published May 2022). A roundtable to share draft findings with Lord Grimstone is proposed for March.
8. The City’s longest-running report, Total Tax, has seen a successful launch in February, with great feedback from some of the 330 stakeholders who received the report. A further 270 attendants heard the headline findings at the Bank of England Governor’s Mansion House FPS address.
9. We will publish a report on UK RegTech that provides findings from research into the opportunities and challenges for this emerging industry. The report will

provide recommendations for policymakers, financial regulators and industry to accelerate the success and growth of RegTech.

10. London's financial and professional services have successfully adapted to remote working showing agility and global experience in the industry throughout the pandemic. However, working in the office continues to be a success factor for financial and professional services beyond Covid. The 'Future of the Office' report will examine why offices have a continued relevance in enabling the FS sector to operate, innovate and grow.

### **Access to Global Opportunities**

11. In March, T&I will work with senior principles at the Corporation to support HMG Business of Resilience Virtual Summit. This Summit will provide an opportunity for the Corporation to showcase our pathway to COP26 and how we can mobilise the insurance sector to manage global risks arise from climate change.
12. We will publish a report how the City of London FPS ecosystem enables non-FPS to trade internationally. The report will address the interdependencies between services and goods trade through a focus on three sub-sectors of the FPS ecosystem: trade finance provision, legal service, maritime services. The report makes the case for a more holistic approach to UK trade policymaking which recognises these interrelationships as well as identifying a list of recommendations for strengthening these relationships still further.

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

13. In February, LM gave keynote speeches to the Tokyo-London ESG Seminar and the Tokyo-London Financial Seminar. These are annual events emanating from the MoU signed between the Tokyo Metropolitan Government and the City of London Corporation in December 2017. The engagement deepens the relationship between the two financial centres; supports UK financial institutions to enter the Japanese market and encourage investment into the UK. The focus was on green finance and fintech.
14. We launched a new video series on the [lawtech lifecycle](#). This case study series highlights how legal services are innovating with technology to deliver more client-oriented, resilient, globally accessible services. It also looks at the benefits the UK lawtech environment provides, both for businesses operating in the UK and for technology looking to develop here.
15. [The Global City](#) is developing a series of video and written business voice testimonials about the UK's competitive offer for their FPS firms. The firms featured help us tell a positive and compelling story about the UK's enduring competitive strengths - from talent to innovation. They include firms of all sizes and across financial services subsectors. If you know firms who have a great story to tell about what being in the City, in London or in the UK offers them, then please do get in touch with [samantha.lagan@cityoflondon](mailto:samantha.lagan@cityoflondon)

## **Partnerships and Engagement**

16. In February, the LM and the CPR met with Tamsin Heath the Acting Consul General in Hong Kong. During the meeting the Lord Mayor and Policy Chair shared updates about the Corporation's China programme and scheduled engagement for this year, including the Corporation's involvement in COP26.

### **Future plans**

17. In March, the T&I aims to deliver further international engagements for the Lord Mayor and Chair of Policy and Resources:
- LM & CPR joint visit to North America – engage with senior level investors from banks, insurance and pension funds to promote the UK's financial innovation including fintech and ESG, showcase the UK's leadership in global Covid recovery and discuss the future UK-US/Canada and EU relationship.
  - LM Virtual Visit to Latin America (Chile and Brazil) – engage with key investors to discuss opportunities on cyber securities, fintech and wider offers from the UK as an investment destination.
  - LM & CPR joint visit to China and Hong Kong – engage with key investors from investment management industry to highlight the UK's offer as a global asset allocation platform and mobilise Chinese financial institutions to support the HMG vision on COP26.
18. In March, the LM will be undertaking a virtual visit to Birmingham and the West Midlands on 4-5 March to look at how the region is sharpening its competitive edge in FPS through innovation. The visit will explore how the Corporation can best partner with the cluster through our own innovative work in fintech, regtech and lawtech as well as to deepen the Corporation's relationship the largest regional BFPS cluster outside London and share experience on Covid recovery.
19. Throughout March we will continue to speak with key external stakeholders on the work of the Recovery Taskforce, ensuring the Square Mile is the world's most innovative, inclusive and sustainable business eco-system, an attractive place to invest, work, live and visit – Members heard more about this work at the Recovery Taskforce Member's Briefing on 25 February. Recommendations will be produced and come formally to Members after Easter.

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Innovation and Growth**

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