

<b>Committee:</b> Policy and Resources	<b>Dated:</b> 23 June 2015
<b>Subject:</b> Institute for Government – sponsorship of a programme on “Government and Regulation”	<b>Public</b>
<b>Report of:</b> Director of Public Relations	<b>For Decision</b>

### **Summary**

The Institute for Government is an independent cross party charity working to increase government effectiveness. Its main objectives are the advancement of education in the art and science of government in the UK for the benefit of the public and the promotion of efficient public administration of government and public service.

Between September 2015 and March 2016, the Institute is planning a four event “Government and Regulators” series, consisting of public seminars and private roundtables, that would focus on how far the current structures and practices for economic and financial regulation in the UK remain fit for purpose and what future reform might be needed. The series would be a partnership between the Institute for Government and the City of London Corporation bringing together key figures from the private and public sectors. The aims of the series are to inform the public and political debate on common challenges facing regulators and consider how they and the Government might need to address them, and to foster dialogue between business, politicians, senior officials and academics about Government’s role in contributing to economic success through efficient regulation.

The IfG is seeking £25,000 of funding from the City Corporation, which would be sole sponsor of the event series. In return for this sponsorship, the City Corporation would receive branding on all publications, it would work closely with the IfG to devise the guest list for each event and the Policy Chairman would be able to play a prominent role in all of them.

### **Recommendation**

This report recommends that your Committee agrees to sponsor “Government and Regulators”, a series of public seminars and private roundtables in partnership with the Institute for Government at a cost of £25,000 to be met from your Committee’s Policy Initiatives Fund for 2015/16, categorised under Events and charged to *City’s Cash*.

## **Main Report**

### **Background**

1. The Institute for Government is an independent charity which works with all the main political parties in Westminster and senior civil servants in Whitehall to provide evidence based advice on the operation of government and its determination of public policy that draws on best practice from around the world. It undertakes research, provides the highest quality development opportunities for senior decision makers and organises events to invigorate and provide fresh thinking on the issues that matter to government.
2. The institute's charitable objectives are:
  - the advancement of education of the art and science of government in the UK for the benefit of the public and on a non-party political basis;
  - the promotion of efficient public administration of government and public service in the UK by providing programmes of education, training, research and study for the public benefit and on a non-party political basis;
3. The Chairman of the Institute is Lord Sainsbury of Turville, previously Chairman of J. Sainsbury plc. (1992 – 1998) and Minister of Science and Innovation (1998 – 2006). The Director of the Institute, appointed in 2012, is Rt Hon Peter Riddell, previously a Senior Fellow at the Institute, a political analyst and commentator with the *Financial Times* and the *Times*, a broadcaster and author. The majority of the IfG's funding comes from the Gatsby Charitable Foundation, one of the Sainsbury family Charitable Trusts.
4. The City Corporation worked previously with the Institute for Government on two highly successful series of events – “Government and Business” in 2013 and “Government and Economy” in 2014, both involving a range of high-level participants and offering the examples of best practice in business and economic policy making and promoting better dialogue and understanding between business and the public sector about the government's role in contributing to economic success.

### **Current Position**

5. Effective and well-focused economic and financial regulation can play a vital role in correcting market failures, managing risk, promoting fairness and increasing competition. Inefficient regulation or blanket enforcement

may impose a significant burden on business, discourage investment, inflate the price of utility services for consumers and stifle the prosperity of the UK economy in the long run. Having the right set of institutions that help deliver an optimal balance/type of regulation is, therefore, paramount.

6. There are a number of reasons why it is timely to reflect on the state of regulation in the UK. The UK pioneered economic regulation in 1980s and 1990s and became a role model for others to follow. But there are signs that the regulatory models that emerged from the privatisation of utilities might be facing a middle-life crisis, compounded by mounting tensions between politicians and independent regulators. In addition, an increasingly fluid constitutional architecture is raising serious questions about how regulation might adapt to an institutional environment defined by multi-level governance. Despite substantial changes to the institutional structure and content of financial regulation, for example, there are still doubts whether the new regulatory arrangements will suffice to put an end to a series of banking scandals and to prevent a new financial crisis.

## **Proposal**

7. The “Government and Regulators” series of public seminars and private roundtables will focus on how far the current structures and practices for economic and financial regulation in the UK remain fit for purpose and what future reform might be needed. The series aims to:
  - inform the public and political debate on common challenges facing regulators and consider how they and government might need to address them;
  - foster dialogue between business, politicians, senior officials and academics about government’s role in contributing to economic success through efficient and effective regulation: and
  - develop further the relationships between government and business, encouraged by the City Corporation and the Institute for Government through the previous series “Government and Business” and “Government and Economy”.
8. A series of four events of both public seminars and private roundtables would take place between September 2015 and March 2016. The public seminars would be held for an audience of around 100 -120 at the Institute for Government, typically early in the evening (6.00pm-7.30pm), although morning and lunch sessions are also feasible options. They

would primarily be structured as panel events followed by Q&A discussion and conclude with a drinks and canapé reception.

9. The private roundtables would allow for more in-depth discussion between key stakeholders in the relevant areas. They would be held for up to 20 people as breakfast events, from 08.30am – 10.00am, although lunch and early evening options are also feasible.
10. The events would be chaired by a senior representative from the Institute for Government, the City Corporation or a respected outsider. The audience would be drawn from senior figures from the Civil Service, political parties, the City and the wider business community, think tanks and academia. The partnership between IfG and the City Corporation would make it easier to reach senior figures in both private and public sectors and thus maximise the effect of the events.
11. The proposed topics for public seminars and private roundtables include:
  - Economic Regulation in the UK: facing a middle-life crisis
  - Regulators and Ministers: the politics of regulation
  - Financial Regulation – now fit for purpose?
  - Regulation under a new devolution settlement/multi-level regulatory governance
  - Public service regulation

### **Corporate & Strategic Implications**

12. The City Corporation sponsorship of the “Government and Regulators” series of events in partnership with the Institute for Government accords well with its role in promoting and supporting London as the world’s leading international financial and business centre that needs a competitive regulatory environment in order to remain globally competitive, as outlined in the *City Corporation’s Communications Strategy 2015-18*. The partnership with the IfG would allow the City Corporation to engage closely with key stakeholders and audiences and to contribute to debates on the most pressing challenges of economic regulation and its role and implications for the economy and government policy.
13. There is no possibility of meeting the proposed financial support from existing local risk resources, because this proposal entails a substantial one-off item of expenditure for which no provision has been made in the Public Relations or other local risk budgets. It is therefore proposed that the required total funding of £25,000 is drawn from your Committee’s

Policy Initiatives Fund for 2015/16, categorised under Events and charged to *City's Cash*. The current uncommitted balance available within your Policy Initiatives Fund for 2015/16 amounts to £164,000. This is prior to any allowance being made for any other proposals on today's agenda.

## **Conclusion**

14. "Government and Regulators" series is a timely intervention in the public and political debate on challenges facing regulators and on how government might need to address them. It accords well with the role of the City Corporation in promoting debate on issues that affect the City of London. Sponsorship of these events would provide the City Corporation with an excellent opportunity to engage with its key audiences and foster dialogue between business, politicians, senior officials and academics about government's role in contributing to economic success through efficient regulation.

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