

Committee: Policy & Resources Committee	Date: 23 June 2015
Subject: City Office in Brussels	Public
Report of: Director of Economic Development	For Decision
<u>Summary</u>	
<p>In response to the conclusion of an independent review of the City Office in Brussels (COIB) and the City of London Corporation's EU engagement activities, it is proposed to appoint a new senior representative based in the COIB to engage with senior EU policy makers and officials. Additional resources will also be required to support this new position and to ensure its success.</p>	
Recommendation	
<p>Members are asked to approve the allocation of an additional £500,000 a year for three years (2015/16 – 2017/18) to fund the new senior representative position and support functions required. It is proposed that the 2015/16 allocation is funded by carrying forward £500,000 from corporate under spending in 2014/15. For 2016/17 and 2017/18 a base budget adjustment will be added to financial forecasts.</p>	

Main Report

Background

1. The City Office in Brussels (COIB) opened in 2004 and has since engaged with a wide range of financial and professional services firms and policy makers in the European Commission, European Parliament, EU institutions and other EU capitals.
2. The COIB has developed a good reputation amongst, and is valued by, EU policy makers, trade associations and the financial and professional services industry.
3. However, in the context of a UK referendum on EU membership, the Commission's Investment Plan the development of an EU Capital Markets Union, and the need to enhance the UK's engagement with EU institutions and Member States generally, an independent review of the work of the COIB has concluded that it is necessary to enhance both the level and the volume of work.

Proposal

4. This conclusion is supported by major financial services trade associations and the Board of TheCityUK, which has undertaken to support any enhancement of the COIB. The recommendations of the independent review include the appointment of a new senior representative who can engage with the most senior EU policy makers and officials. In response, the City of London Corporation has indicated to TheCityUK Board that it is prepared to increase the resources dedicated to the COIB, which will include the appointment of a new senior representative. This will ensure that the City Corporation remains fully engaged in EU policy making.
5. The new senior representative will be able to represent the UK based financial and professional services sector at the highest levels in Brussels and in EU Member States, with policy makers, regulators central bankers, MEPs, Commissioners and officials, national governments and other key opinion formers.
6. This engagement will be aimed at:
 - Explaining the value to senior EU opinion formers of London's role as Europe's international financial centre, and how this supports EU-wide economic growth and job creation.
 - To provide strategic counsel and insight to senior leaders of UK based financial and professional services businesses.
 - To influence development of relevant EU financial services and related policy dossiers.
 - To provide thought-leadership on the role of financial and professional services in the context of wider EU competitiveness.
7. The work will include:
 - EU-wide travel to engage with senior policy makers, opinion formers and business leaders.
 - Participation in the financial services dialogues with other key Member States, which currently includes dialogues with: France, Ireland, Germany, and Italy, with the potential for new ones to be established. These are facilitated by the City Corporation and TheCityUK.
 - Developing and maintaining contacts in Brussels at the level of Director General, Chef de Cabinet, Ambassadors of EU member States, heads of industry associations, Members of the European

Parliament and Commissioners, where appropriate, and relevant ministers and senior officials in Member States.

- Delivering key messages and policy positions on behalf of UK based financial and professional services industry to key EU policy makers and officials.
 - Keeping abreast through formal and informal channels of policy positions of EU institutions and Member States to inform the work of City Corporation and UK based financial and professional services.
 - Making speeches, participating in conference programmes and giving media interviews.
 - Influencing and informing the work of the International Regulatory Strategy Group (IRSG) Council, whose members are senior leaders of financial and professional services firms, and with Observers from UK government and regulatory authorities.
 - Informing strategy on EU engagement by the City Corporation, the IRSG and, where relevant, TheCityUK.
8. In addition to the appointment of the new senior position, it will be necessary to appoint at least one new additional member of staff to support the work of this post (who will work with the existing Head of the City Office in Brussels and the Policy Officer also based in the COIB), and to have a more appropriate and flexible office space in Brussels to enable meetings and roundtables to take place in the COIB.

Financial Implications

9. The additional resources required for the revised arrangements in the COIB, will require significant additional funding that cannot be met from existing local risk budgets.
10. The approximate additional budget for the revised arrangements in the COIB is £500,000 per annum. The approximate breakdown of costs is as follows:
- £200,000 – new senior representative
 - £50,000 – new officer based in COIB to support senior representative
 - £100,000 – additional office, IT, etc. costs

- £150,000 – budget to support additional activity in support of the work of the new senior representative and to cover costs of travel, etc.

11. The arrangement would be in place for 3 years (2015/16 – 2017/18). It is proposed that the 2015/16 allocation is funded by carrying forward £500,000 from corporate under spending in 2014/15. For 2016/17 and 2017/18 a base budget adjustment will be added to financial forecasts.

Consultation

12. The Chamberlain's department and the City Comptroller have been consulted on this report.

Conclusion

13. Members are asked to approve the allocation of £500,000 per annum for three years, to provide the additional resources for the new senior representative based in the City Office in Brussels and the support required for the position.

Contact:

Giles French, Assistant Director of Economic Development
giles.french@cityoflondon.gov.uk | 0207 332 3644