

<b>Committee(s):</b> Policy & Resources	<b>Date(s):</b> 24. 9. 2015
<b>Subject:</b> Economic Development - progress update	<b>Public</b>
<b>Report of:</b> Director of Economic Development	<b>For Information</b>
<p><b>Summary:</b> The cover paper provides highlights from the Economic Development Office's work.</p> <p>On EDO's promotional and regulatory work, highlights include:</p> <ul style="list-style-type: none"> <li>• The appointment of a City Special Representative for discussions in Brussels and beyond.</li> <li>• Support for proposals on CMU (Capital Markets Union).</li> <li>• Publication of a key report, showing that getting regulation at the right level would boost the EU's jobs and growth.</li> <li>• Important milestones in promoting London's role as a key RMB centre.</li> </ul> <p>On our work in supporting neighbouring communities, highlights include:</p> <ul style="list-style-type: none"> <li>• A strategic review of the Lord Mayor's Dragon Awards.</li> <li>• The 15<sup>th</sup> anniversary of Heart of the City, marking a plan to widen its work.</li> <li>• Strong performance of one of the Corporation's flagship programmes – City Business Traineeships.</li> </ul> <p>A summary of the Economic Development Office's progress against objectives in the first quarter (April to June) updated to August 2015 is attached at Appendix A.</p> <p><b>Recommendation(s):</b> Members are asked to note the report.</p>	

### **Main Report**

On EDO's promotional and regulatory work, highlights include:

1. **Appointment of Special Representative:** Jeremy Browne, former MP and Foreign Office Minister, started as Special Representative for the City in Brussels on 1 September 2015. His role will be to enhance the engagement of the UK based financial and professional services industry in the EU institutions and across Member States. Jeremy's remit also includes:
  - Engaging with the most senior EU policy makers and officials,
  - Explaining to senior EU opinion formers the value of London's role as Europe's international financial centre and how this supports EU-wide economic growth and job creation, and
  - Influencing the development of relevant EU financial services and related policy dossiers.

2. **Support for proposals on CMU (Capital Markets Union):** We have supported the Commission in bringing forward its proposals on CMU, including a dinner for Commissioners Jonathan Hill and Jyrki Katainen. The Chairman of Policy and Resources, in his visit to Lithuania (after this report was prepared), was meeting senior government figures including the PM, in order to explain the role of London in delivering an EU wide Capital Markets Union and encourage Lithuanian support for the project.
3. **Boosting jobs and growth through supportive financial services regulation:** with PwC we published a report on different levels of EU financial services regulation. It showed that pitching regulation at the right level would boost the EU's wider economy, creating jobs and growth. The Report estimates well-calibrated regulation would result in an extra 11m jobs and 850bn euros in the EU economy by 2030.
4. **Supporting London as a centre for RMB:** The Corporation, through EDO, has championed the internationalisation of the RMB over the last 3-4 years. This played an important role in encouraging Government support for London's role as a key RMB trading centre outside China. Tangible results have been the issuing of a sovereign RMB bond last year, and ever increasing volumes of RMB business in the UK. The Bank of England has now started its own series tracking RMB business volumes, a role the Corporation played up until now. This frees up the Corporation to support London's role on RMB internationalisation in other ways. In his trip to the US (after this report was prepared), the Chairman of Policy and Resources will be helping launch a joint report on the RMB's wider importance, "Renminbi Ascending" and the internationalisation of the RMB will form an important part of the Lord Mayor's trip to China.

On our work in supporting neighbouring communities, highlights include:

5. **Strategic review of the Lord Mayor's Dragon Awards:** In the feedback, the awards were found to be unique, prestigious and inspiring. Areas for further work, including marketing and governance, are being addressed. The next Awards Ceremony takes place at the end of September.
6. **The 15<sup>th</sup> anniversary of Heart of the City** was also the occasion to plan broader engagement with SMEs across London, following a grant award from the City Bridge Trust.
7. **City Business Traineeships:** This flagship programme secured over 100 placements for young people from neighbouring boroughs in City businesses.

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**Review of EDO Business Plan (2015-18) - Progress April to August 2015**

<b>Objective</b>	<b>Details</b>	<b>Date</b>	<b>Milestones / progress</b>	<b>Status</b>
1.	Promote the City as Europe's and the world's preeminent financial and business centre, supporting City interests in global markets, attracting inward investment and building stronger links with other parts of the UK	On-going	<p><u>Overview</u></p> <p>EDO's championing of RMB internationalisation has been pivotal over the last 3-5 years. The Atlantic Council report marked the next important step.</p> <hr/> <p><u>Key achievements and actions</u></p> <p>US visit made by the Chairman.</p> <p>India Advisory Council meeting and associated events in London (validating areas of focus in India: the development of India's Credit Market, the International role of the rupee, Infrastructure, Insurance/ re-insurance, Skills development. There was additional interest in green finance and financial technology.).</p> <p>Launch of Atlantic Council '<i>Renminbi Ascending: How China's Currency Impacts Global Markets, Foreign Policy, and Transatlantic Financial Regulation</i>' and CoL RMB business volumes 2014 report.</p> <p><u>Next steps</u></p> <ul style="list-style-type: none"><li>• Support UK Government's hosting of Chinese and Indian leaders in the autumn.</li><li>• Potential visit for the Chairman to Washington DC to join Atlantic Council launch event.</li></ul>	<b>G</b>

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2.	Ensure that the City of London Corporation, both in its own right and working with partners (e.g. TheCityUK), plays a leading role in promoting and developing a positive business, regulatory and policy environment; one in which the international financial services industry can thrive, continue to serve its customers and be a facilitator of economic growth and job creation.	On-going	<p><u>Overview</u></p> <p>The City's contribution towards the development of a <b>Capital Markets Union (CMU)</b> has been the key focus for engagement.</p> <p>The development of our bilateral financial dialogues are also taking shape.</p> <hr/> <p><u>Key achievements and actions</u></p> <p><i>Capital Markets Union(CMU):</i> Co-hosted an event for Irish Minister of State at the Department of Finance (this also helped develop the bilateral dialogue with Dublin);</p> <p>Agreement on Anglo French position paper on CMU, a critical tool to influence in Brussels.</p> <p><u>Next steps</u></p> <ul style="list-style-type: none"> <li>• Preparation for EU reception in Brussels and for Anglo French and Irish dialogue working meetings</li> <li>• Preparation for the Chairman to visit Lithuania and Pre Presidency visit to Netherlands</li> <li>• National Institute of Economic &amp; Social Research (NIESR) to undertake a study and video project on perceptions of immigration.</li> </ul>	G
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Objective	Details	Date	Milestones / progress	Status
3.	Encourage, support and promote enterprise and responsible business growth across London, but especially in the communities of the City and neighbouring boroughs.	On-going	<u>Overview</u>  We completed a strategic review of the <b>Lord Mayor's Dragon Awards</b> , the review recognised and encouraged best practice in corporate community engagement. Those consulted perceive the Awards as unique, prestigious and inspiring. Areas for further focus included wider marketing and governance arrangements.	<b>G</b>
			<u>Key achievements and actions</u>  <b>Heart of the City</b> 15 <sup>th</sup> anniversary - City Bridge Trust funding secured to roll out activity London-wide, research into CSR in SMEs completed for launch at 2 July celebration  Developing the relationship with <b>Innovate Finance</b> to identify 3 key areas of work together (see next steps).  <u>Next steps</u> <ul style="list-style-type: none"> <li>• A series of events to raise awareness of neighbouring boroughs of EU innovation funding commences in Q2.</li> <li>• Implementation of Dragon Awards review recommendations including more robust governance arrangements and planning for Awards ceremony in September.</li> <li>• Key areas for future working with Innovate Finance includes co-operation on :- future governance; policy, research and parliamentary programmes; and increased engagement with the fintech business membership.</li> </ul>	

## Review of EDO Business Plan (2015-18) - Progress April 2015 to July 2015

4.	Working with businesses and CoLC departments (including City Bridge Trust), to realise the economic and social potential of London, but especially the City and the neighbouring boroughs	Sept 2015	<p><u>Overview:</u></p> <p>In order to make our work more coherent we produced a comprehensive report on all City Corporation <b>employability</b> activity together with a report proposing a new 'process' for assessing new CoL employability ideas to support London's communities, which have progressed through relevant CoL Committees/Boards. The next step is to support the new 'Study panel' seeking to address unemployment among young people in London, alongside preparing a clear narrative for our employability work with all age groups in London .</p> <p><u>Key achievements and actions:</u></p> <p>Procurement completed for Managing Agent, and Programme Manager in place, for <b>Central London Forward ( CLF) 'Working Capital' programme</b> (£11m, 5 year programme under London's 'Growth Deal' focusing on a new sub-regional approach to supporting unemployed leavers of the Government's Work Programme);</p> <p>An impact report published in July demonstrates that 1,500 Academy students benefitted from volunteer involvement in 2014-15 in our '<b>Aspiration Academy</b>' programme, in which City of London staff volunteer to support Academy students with employability skills.</p> <p><b>City Business Traineeship programme</b> launched in July, with 106 placements (and counting) secured for young people from neighbouring boroughs in City businesses.</p> <p><u>Next steps</u></p> <ul style="list-style-type: none"> <li>• The City Corporation's Education Strategy will be refreshed to cover 2015-2018. EDO will feed into the 'education to employment' theme</li> <li>• Launch of CLF's Working Capital programme across the 8 boroughs.</li> <li>• £2m CLF sub-regional construction skills programme in development</li> </ul>	G
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5.	Inform evidence based policy and programme development through appropriate and relevant research	On-going	<p><u>Overview</u></p> <p>Major focus on social impact investment following the publication of research into '<i>Developing a Global Financial Centre for Social Impact Investment</i>' and looking at the role the City Corporation could play in implementing its recommendations.</p> <hr/> <p><u>Key actions</u></p> <p><i>'The Future of the City of London's Economy'</i> report,. updates the employment forecasts for the City and identifies challenges and opportunities for growth. The report was widely picked up by national media and is part of a wider strand around how the City's economy is changing.</p> <p><i>'The Future of European Financial Services'</i> report, shows that 11 million jobs and €850 billion of extra EU GDP could be created by 2030 .</p> <p>The '<i>Developing a Global Financial Centre for Social Impact Investment</i>' report, has been drawn on in Parliament for the Charities Bill debate, as well as being picked up widely in the trade press. This report looks at London's comparative position as a global centre for social impact investment and how to become the world's leading Social Impact Investment centre.</p> <p><u>Next steps</u></p> <ul style="list-style-type: none"> <li>• New research reports will be launched in early autumn looking at economic cybercrime, working with the City of London Police, and currency use in global payments, working with the Anglo French Committee.</li> <li>• New work is being commissioned around London's international maritime links, and looking at the City as a location for SMEs, in discussion with the City Property Association.</li> </ul>	<b>G</b>
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