

Report – Policy and Resources Committee

Strengthening the City Corporation's Representative and Promotional Work in Asia

To be presented on Thursday, 8th December 2016

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council.*

SUMMARY

In the aftermath of the EU referendum result, the City Corporation has continued to work with international partners to maintain the City of London's role as the world's leading financial centre and encourage inward investment to the UK. The recent Fraser Review assessed the effectiveness of our overseas offices as part of the City Corporation's wider trade and investment activities and concluded that the work being undertaken to support financial and related professional services in the City Offices in Shanghai, Beijing and Mumbai could be strengthened and enhanced.

Whilst your Committee acknowledged the differences between the Chinese and Indian markets it supported this view. It considered that the terms of reference and ways of working of the new post could be clearly specified and that the need for a separation of the two markets could be developed as the initiative progressed on the basis of the Chinese market being a priority.

It is now proposed that the City Corporation's international engagement is enhanced by the creation of a new Special Representative for Asia, similar to the one currently in place for Europe. It is envisaged that this new post will engage senior officials and regulators in Asia to influence policies, developing long-term relationships for the City. This will entail frequent travel across Asia to in order to maximise the City's impact and achieve right level of engagement on behalf of the UK financial and professional services industry.

The additional resources required for the appointment of the Special Representative to Asia can be met from within the £2.55m uplift that was granted for additional promotional work by the City Corporation in July 2016 from City's Cash.

As the salary of the post will be in excess of £100,000, approval is also required from your Establishment Committee and the Court of Common Council. The Establishment Committee is not scheduled to meet until 1 December therefore its view on the creation of this post does not form part of this report. That Committee's view will nevertheless need to be taken into account and will be reported orally.

RECOMMENDATION

Subject to the approval of the Establishment Committee, Members are asked to approve:-

- (i) the creation of a new fixed-term post of Special Representative to Asia for the purposes and on the terms set out in the report; and
- (ii) the recruitment process set out in paragraph 8 of the report.

MAIN REPORT

Background

1. The City of London Corporation has three offices in Asia –in Shanghai, Beijing, and Mumbai. The offices opened in 2010 and have since engaged with a wide range of financial and professional services firms, supporting the work of the Lord Mayor and Policy Chairman including overseas visits.
2. In the aftermath of the EU referendum result, the City Corporation has continued to work with international partners to maintain the City of London's role as the world's leading financial centre and encourage inward investment to the UK. Growing and initiating relationships with countries outside of the EU has never been more important. The City of London is home to the UK's pre-eminent financial and professional services firms and is a launch pad for two-way cross border trade in these sectors – the single most significant contributor to the UK's services balance of trade.

Proposal

3. The recent Fraser Review assessed the effectiveness of our overseas offices as part of the City Corporation's wider trade and investment activities, concluding that the work being undertaken to support financial and related professional services in the City Offices in Shanghai, Beijing and Mumbai could be strengthened and enhanced. In light of this, it is now proposed that the City Corporation's international engagement would benefit significantly from the creation of a new Special Representative for Asia, similar to the one currently in place for Europe. The post will be a three-year fixed term contract.
4. The Special Representative to Asia would support the work of the Lord Mayor and Policy Chairman and help shape the Corporation's strategy in its engagement with the region. Key elements of this role would be playing a prominent role with policymakers, opinion formers and business leaders to ensure the City's views are heard and understood, and that we understand regional opportunities first-hand. Similarly to the role of the Special Representative for the City to the EU, the Special Representative to Asia would focus on engagement in the region (particularly China) to communicate the City's messages to Asian governments, regulators and firms that London is open for business. In London, they would be engaging with Asian businesses here through events and meetings to facilitate joined-up discussions and support a strong on-going relationship between the UK and Asian markets. They would be ensuring a distinctive City of London contribution, working closely with other industry bodies such as China British Business Council (CBBC), Department for International Trade (DIT) and TheCityUK (TCUK). As a result, we would envisage greater policy and regulatory convergence and, over time, increased trade and investment.

5. It is envisaged that this new post will engage senior officials and regulators in Asia to influence policies, developing long-term relationships for the City. This will entail frequent travel across Asia in order to maximise the City's impact and achieve right level of engagement on behalf of the UK financial and professional services industry. The proposal is in line with the arrangements of the Special Representative to the EU, which Members agreed at the Court of Common Council in July 2015, and will be at a similar cost.
6. The role will:-
 - a. engage with Asian governments and regulators at a senior level to influence policy, determine prioritised efforts for collaboration, and provide opportunities to insert UK industry opportunities into Asia's economic plans;
 - b. advise the wider City of London team working in partnership with HM Treasury, Department for International Trade, Foreign and Commonwealth Office, Department for Exiting the EU and other partners across Government to identify UK Government and financial and related professional services' needs for the benefit of the wider UK economy; and
 - c. facilitate joined-up development of strong relationships with senior international stakeholders, Government and financial and related professional services on matters affecting UK and Asian economic activity to create more jobs and growth.
7. The work will include:-
 - a. Asia-wide travel to engage with senior policy makers, opinion formers and business leaders;
 - b. Participation in the financial services dialogues with China and India;
 - c. Developing and maintaining contacts at senior level including relevant ministers and senior officials in India and China;
 - d. Delivering key messages and policy positions on behalf of UK based financial and professional services industry to key policy makers and officials in Asia;
 - e. Keeping abreast through formal and informal channels of policy positions of Chinese and Indian institutions to inform the work of the City Corporation and UK based financial and professional services;
 - f. Making speeches, participating in conference programmes and giving media interviews;
 - g. Influencing and informing the work of the China and India Advisory Councils, whose members are senior leaders of financial and professional services firms;
 - h. Informing strategy on Asian engagement by the City Corporation, and where relevant, TheCityUK;
 - i. Close working with government and also industry bodies including TheCityUK, CBBC, UK-India Business Council, IMA, ABI, ICMA, ASIFMA, AIMA, etc.

- j. Inform the wider City of London teams engaged on policy and innovation and commercial relationships in exports and investment.
8. The specialist nature of the role and particular skill set sought mean that an individual would be appointed to the role on the basis of a targeted recruitment campaign in consultation with the Chairman and Deputy Chairman of the Committee.

Financial Implications

9. The cost of the special representative will be up to £525,750 per annum for the three years, broken down as follows:-
- a. £250,000 FTE in salary for the individual (up to £320,750 including on-costs);
 - b. Up to £43,000 FTE on the support function for the Special Representative (up to £55,000 including on-costs); and
 - c. Up to £150,000 on travel and accommodation from the Economic Development Office's existing local risk budget.
10. The additional resources required for the appointment of the Special Representative to Asia can be met within the £2.55m uplift that was granted for additional promotional work by the Corporation in July 2016 by the Policy and Resources Committee. Thus, any expenditure on the post will be charged to City's Cash.

Conclusion

11. Growing and initiating relationships with countries outside of the EU has never been more important as the City seeks to maintain its place as the world's leading financial centre, thereby ensuring that the UK's pre-eminent financial and professional services firms continue to be a launch pad for two-way cross border trade. The Special Representative to Asia would help the City Corporation to build long-term policy links with key stakeholders in a wide range of Asian markets, opening doors for increased bilateral and pan-Asia engagement on trade and investment, and continue the work to promote inward investment to the UK in partnership with HM Government and relevant industry bodies.

All of which we submit to the judgement of this Honourable Court.

DATED this 17th day of November 2016.

SIGNED on behalf of the Committee.

Mark Boleat
Chairman, Policy and Resources Committee