

City of London Corporation (CoLC)

Economic Development Office –
Business Strategy and Plan

April 2017 - 22



The UK faces known challenges which threaten its competitive strengths

Market Context

Competitive Strengths



Access to global financial markets

- An international centre which offers cost-efficient access to deep and highly liquid capital markets
- The number one market for foreign exchange and the second largest market for fund management



Leading business & regulatory environment

- The world's best regulatory framework for doing business
- A hub where companies and investors meet from around the world to do business



Powerhouse of talent

- A magnet for talent from around the world due to its depth and experience in financial services
- Access to a diverse pool of skills and backgrounds



Enabling business infrastructure

- Providing the telecommunications, IT infrastructure and transport links to fuel business



Attractive Living and Working Environment

- There is no shortage of people wanting to live and work in London due to its soft power e.g. culture, green spaces



Hub for innovation

- The best financial centre for use of technology, venture capital and new product development

Challenges Faced (Not Exhaustive)

- **BREXIT** has created new challenges, such as single market access, as well as opportunities to link to new global markets
- **Populism** has led to political uncertainty and lack of trust, making it more challenging to maintain high standards whilst remaining competitive
- **Skills Shortages and inequality** are increasing as the UK faces challenges both in supply of skills and the diversity and inclusiveness of its workforce
- **Investment in connectivity** ensuring London has the digital and physical infrastructure that business needs
- **Rising cost of living** creates a barrier for potential workers to access London jobs and for businesses to set up in the city
- **Competition** from global FRPS centres has seen other geographies challenge in areas of new growth (e.g. FinTech)

We want to ensure that the UK continues to lead globally for FRPS, and our vision to achieve this is by fostering growth and inclusion

Vision

- Our **Vision** is to create growth and inclusion for the City, London and the UK so that the UK continues as the World's leading financial centre

EDO Strategic Framework: Our Vision



Growth and Inclusion

- To continue to lead, the sector needs to generate new jobs and additional economic growth
- We believe that to be sustainable, this growth needs to be inclusive to provide equality of opportunity

In light of the challenges UK FRPS faces, our strategic objectives focus on strengthening and enhancing four areas of competitive strength

Competitive Strengths and Strategic Objectives

- To achieve our vision, we need to be innovative and agile in response to macro-political trends to both bolster the UK's current strengths and develop new sources of competitiveness.
- Our focus is on four **Competitive Strengths** in which the UK is facing significant challenges and also where we believe we can leverage our assets to make a significant impact to achieve a number of **Strategic Objectives**.



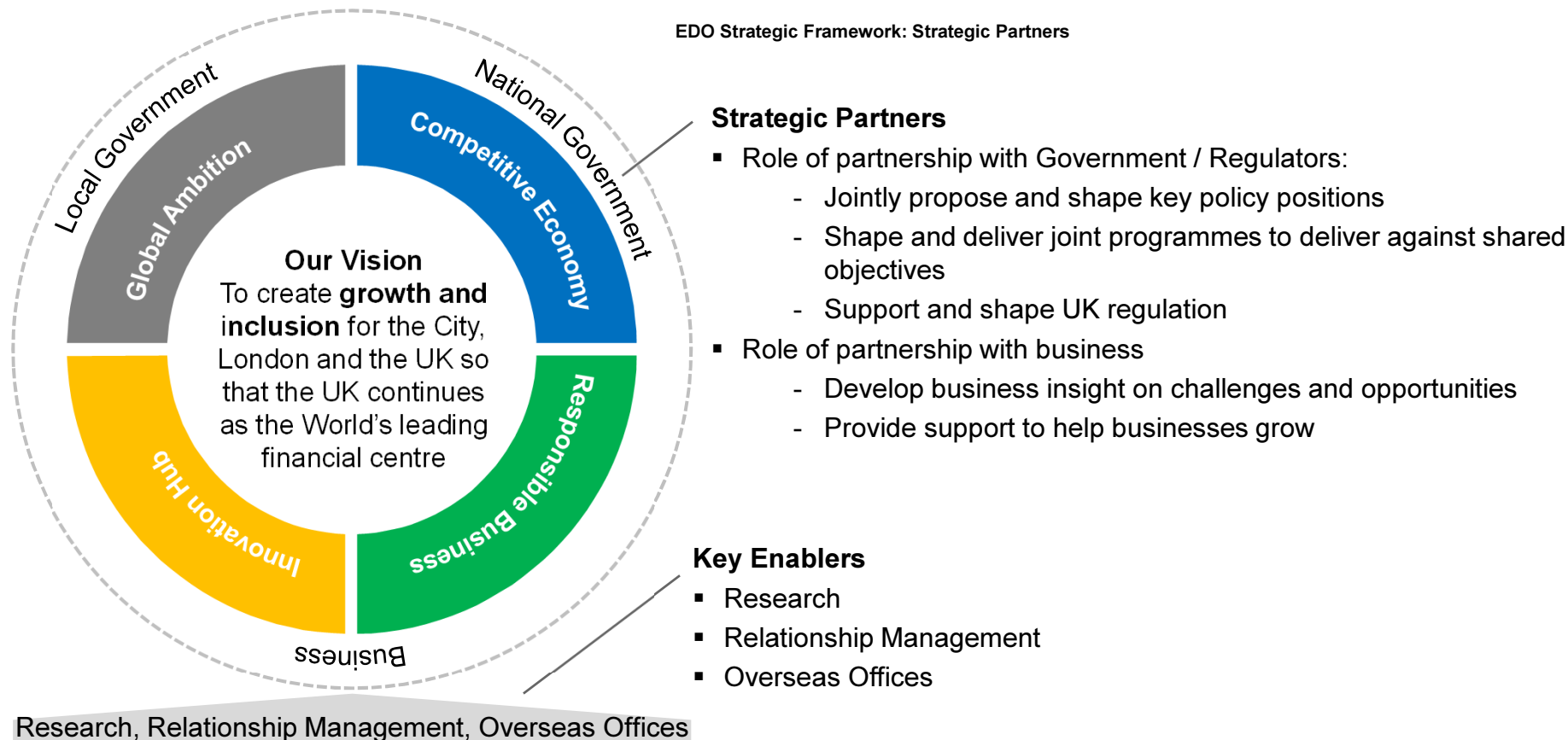
Competitive Strength	Challenges*	Strategic Objectives
Competitive Economy	BREXIT, Populism	To sustain and enhance the UK's competitive regulatory and economic environment and enable access to global markets
Responsible Business	Talent, Public Perception, Rising Cost of Living	To support business to adopt responsible and inclusive business practices and ensure the City continues to thrive
Innovation Hub	Global competition	To ensure that London is home to a more innovative ecosystem for FRPS than its competitors
Global Ambition	BREXIT, Global competition	To promote the UK's value proposition to attract and retain investment to the UK and facilitate exports

* Not an exhaustive list

As our objectives are often complementary to those of other players in the industry, strategic alignment is key to maximise our impact

Strategic Partners and Key Enablers

- Government and business are our **Strategic Partners** and the key stakeholders whom we aim to deliver highly valued outcomes for and with whom we work in collaboration to deliver joint programmes.
- Our dedicated research function is a **Key Enabler** which provides bespoke analysis and evidence that helps shape, develop and implement our strategic objectives and ensure our activities are well-founded. So too are our developing Relationship Management function and Overseas Offices.



Across all of our objectives, we have identified 13 areas in which to focus over this year that we will collaborate on with our strategic partners

How we will deliver

	<u>Strategic Objective</u>	<u>Focus Area</u>	<u>Aim</u>
Competitive Economy	To sustain and enhance the UK's competitive regulatory and economic environment and enable access to global markets	1 EU Market Access	Achieve the best possible outcome from the BREXIT negotiations
		2 International Market Access	Develop and strengthen access to London's most important markets including both mature markets (eg. the US) and emerging markets (eg. India and China)
		3 UK Regulatory Framework	Ensure high standards and promote global regulatory coherence
Responsible Business	To support business to adopt responsible and inclusive business practices and ensure the City continues to thrive	4 Trust	Support businesses to adopt responsible practices and improve public perception of the City
		5 Talent	Enable FRPS to attract the talent it needs and build the necessary skills
		6 Enterprise	Grow the number of start ups that scale successfully in FRPS, support responsible growth and increase the diversity of teams
		7 Thriving City	Identify and address the key challenges London faces to remain a globally competitive city whilst also ensuring inclusive growth
Innovation Hub	To ensure that London is home to a more innovative ecosystem for FRPS than its competitors	8 FinTech	Establish London as a market leader in innovation and use of technology
		9 Cyber	Ensure that London is the most resilient financial centre to cyber attack
		10 Green Finance	Ensure that London has the environment to attract investment in Green finance
Global Ambition	To promote the UK's value proposition to attract and retain investment to the UK and facilitate exports	11 Foreign Direct Investment	Support and enable the movement of new FRPS businesses into London
		12 Retention and Expansion	Encourage FRPS businesses to remain in and expand across the UK
		13 Exports	Identify and increase exports to priority markets

Our assets place us in a leading position to effect change and have a significant impact on the FRPS industry

Assets

Global Reputation

- We have a significant amount of in depth industry expertise having supported FRPS for many years
- We aim to achieve the best outcomes for the long-term success of the industry as a whole
- This, along with our established links in Brussels, the US and Asia, positions us as a neutral and internationally recognised organisation with which to engage

Diverse Relationships

- We have an extensive network of UK partners, including business, government, trade bodies and associations
 - We have a vast international reach as a result of our extensive overseas visits and offices
 - This enables us to effect change at a local, national and international level

Our Assets

Broad Resources

- We offer high quality local services (e.g. City Police, Property) in conjunction with our FRPS services
- This uniquely enables us to develop and support a complete business ecosystem (e.g. Cyber crime)
- The breadth of our services extends across promotion, policing, business support, property and more

Independent Remit

- We are able to bring all relevant parties to the table on key issues for FRPS as we are a privately funded organization with no members to serve
- We are able to take a longer-term perspective which extends beyond political cycles
 - This enables us to maximise our impact and focus on sustainable sources of competitive advantage

Our overarching success will be tracked by the UK FRPS industry performance across five macro-economic indicators

Targets

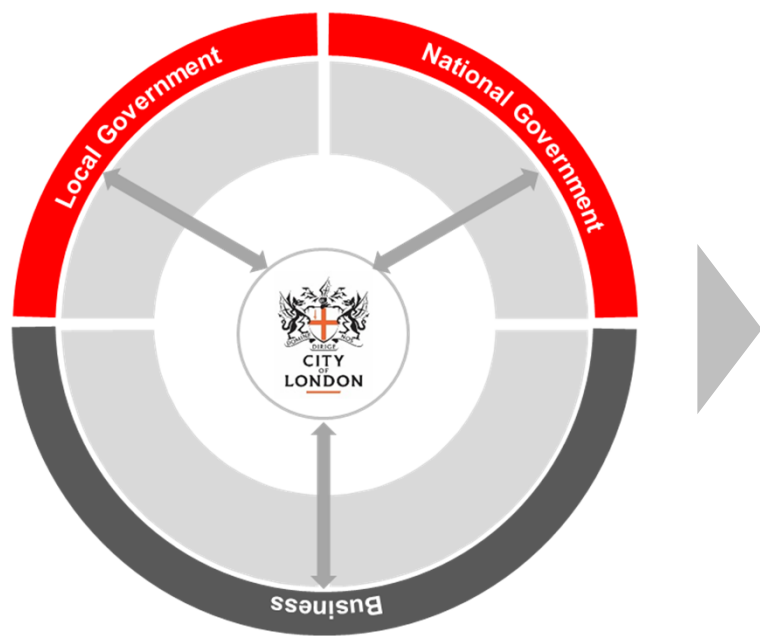
- If we are successful in achieving our strategic objectives, we will be contributing to **external** macro-economic outcomes that have a real impact in the FRPS sector
- If we challenge ourselves **internally** to maximise our impact and effectively leverage our assets we will be highly valued by our strategic partners



We engage with government bodies at a local and national level

Strategic Partners Engagement Strategy

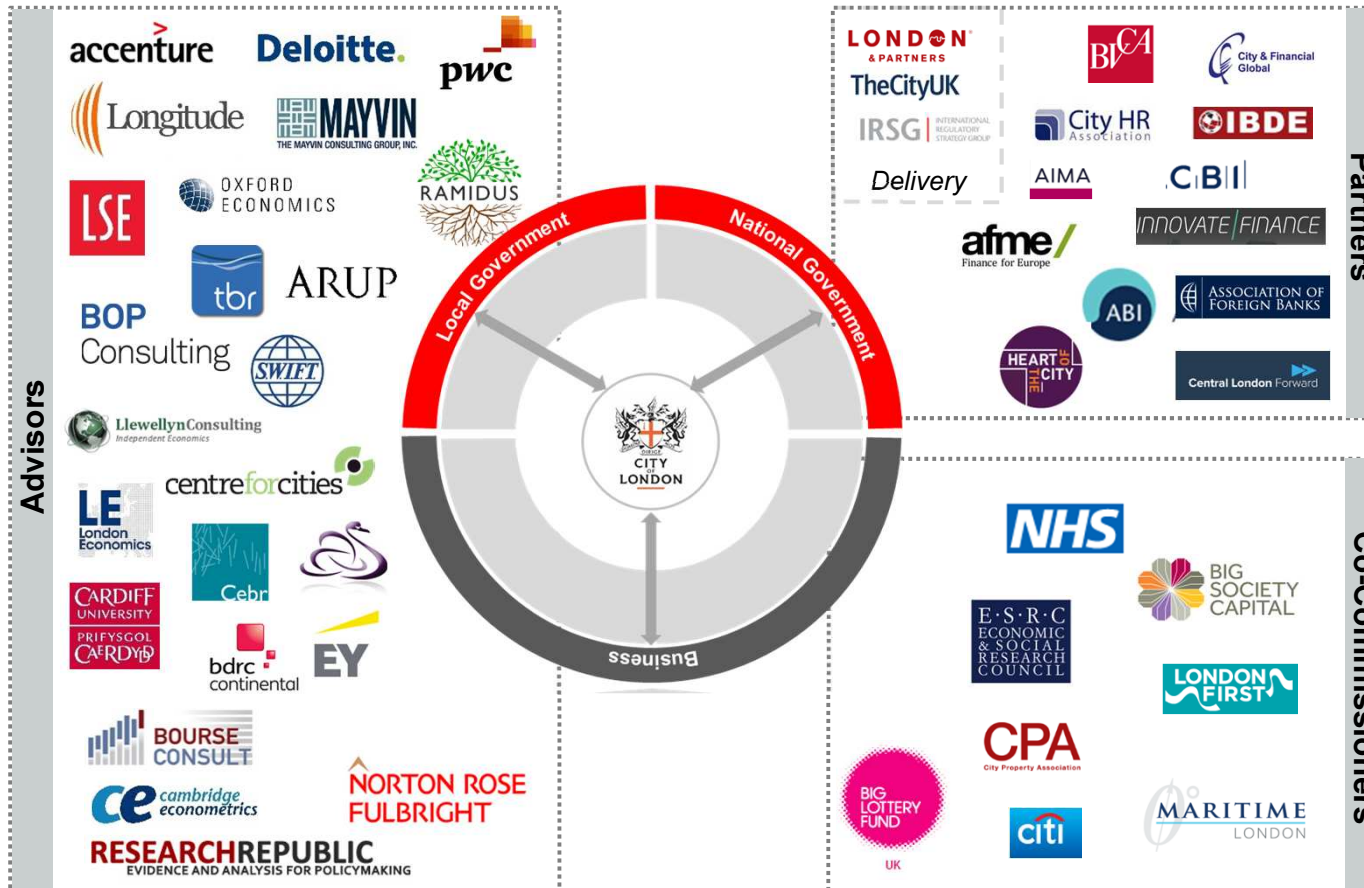
Figure 2. Strategic Partners: Relationship Map



Remit	Body	Role of Relationship
Local Government	Boroughs	<ul style="list-style-type: none"> Shape and deliver joint programmes to address issues faced by the London community (e.g. Skills shortages)
	Greater London Authority	<ul style="list-style-type: none"> Propose and agree government policy that supports London's competitiveness and liveability
National Government & Regulators	Cabinet Office	
	Foreign Office	<ul style="list-style-type: none"> Propose and agree government policy which enables sustainable growth and innovation
	Treasury	
	Department of International Trade (DIT)	<ul style="list-style-type: none"> Shape and deliver joint programmes to sustain growth and innovation
	Prudential Regulation Authority (PRA) / Financial Conduct Authority (FCA)	<ul style="list-style-type: none"> Support and shape UK regulation to sustain growth and innovation
Business	Economic and Financial Dialogues	<ul style="list-style-type: none"> Contributing to international dialogues
	FRPS Businesses	<ul style="list-style-type: none"> Develop business insight on challenges and opportunities Provide support to help businesses grow (e.g. accompany on overseas visits)

Our network of diverse relationships extends our reach and capacity

Diverse Relationships



Commentary

- We align perspectives on key strategic issues and co-ordinate resources on a regular basis with our Delivery Partners
- We leverage our broader network of Partners and Advisors to augment our capacity, access detailed expertise, expand our lobbying influence and to engage communities in the most effective way
- We Co-commission research to access expertise and share funding costs