

Committee(s)	Dated:
Policy & Resources Committee	8 June 2017
Public Relations & Economic Development Sub-Committee	8 June 2017
Subject: Regional Strategy	Public
Report of: Director of Economic Development	For Decision
Report author: Giles French	

Summary

Following a request by Members, the Economic Development Office has developed a proposed regional strategy to engage with major UK regional centres for the financial and related professional services sector. The strategy is focused on working in partnership with regional inward investment organisations to retain investment in the UK; attract new investment into the UK; and for regionally based firms to participate in the City Corporation's work programme to encourage UK exports.

Recommendations

- Members of the Public Relations and Economic Development Sub Committee are asked to recommend to Policy and Resources Committee that the regional strategy be approved.
- Members of the Policy and Resources Committee are asked to approve the regional strategy.

Main Report

Background

1. The City Corporation has revised its strategy for regional engagement to promote the UK based financial and related professional services industry. Members have requested a strategy that demonstrates London's value to the rest of the UK, and maximises our engagement to encourage economic development in other parts of the country.
2. Previously, regional engagement was limited to annual visits by the Lord Mayor and ad hoc events in London. The ambition is to establish more strategic

partnerships with key regional centres, and to focus on how we can work together to deliver increased investment across the UK and encourage UK based financial and related professional services firms to export their products and services.

Objective

3. To work with a number of regional centres that have significant financial and professional services sectors, on an agreed programme of activity to help retain and increase inward investment into the UK, and to encourage UK based firms to export their products and services.

Proposal

4. For the first year of the strategy we will engage with three centres to pilot the strategy. To ensure the strategy has focus, our definition of “region” will be centred on a major city, but if there is evidence engaging with a wider regional area would be productive, then that will be included. Similarly, we will identify a single lead partner organisation who will act as the conduit with any other appropriate local actors. The preferred local partner will be the established inward investment/export organisation.
5. Each of the regional centres will have a dedicated Account Manager in the Global Exports and Investment team in the Economic Development Office. The Account Managers already have a matrix of responsibilities for industry sub-sectors and global geographies, and will be given an additional UK region.

Proposition

6. Following scoping discussions with both Scottish Enterprise and MIDAS - the inward investment agencies for Scotland and Manchester, both of which are well established with dedicated financial services programmes – a combination of the following package is recommended as the City Corporation’s offer to partner regions:
 - Annual visit to region by Lord Mayor, Policy Chairman and/or senior City Corporation Member;
 - Dedicated Account Manager in Global Exports and Investment team;
 - One event per annum in London to be hosted by the City Corporation (roundtable, seminar or conference), subject to negotiation on financial commitment for larger events;
 - A number of places at the major set piece dinners for regional business leaders – Bankers’ Dinner, City Banquet, Lord Mayor’s Banquet;
 - Delegate places and speaker opportunities at relevant policy-focused events;
 - Regionally based firms to participate in international export and investment programme: attending London based follow-up events, participating in the international visits programme, or participation in relevant working groups;
 - Participation in City Corporation organised training for inward investment officers on financial and professional services policy issues;

- Liaison with London-based institutions exploring investment opportunities across the UK;
 - Co-sponsoring of research reports on areas of joint-interest.
7. Not every region would necessarily take up all elements of this proposal, but all elements could be delivered within existing resources. From the scoping discussions that have already taken place, the inward investment organisations have confirmed these proposals would be valuable in assisting them in achieving their objectives.
 8. However, we would want this to be a genuine partnership, where the inward investment organisations were equally committed to delivering regionally based businesses to participate in our export and investment programme.
 9. Members are requested to note that the Board of TheCityUK has recently approved a revised regional strategy for their programme of engagement. This was produced in consultation with the City Corporation and the two strategies have been designed to complement one another's activities. TheCityUK programme has a stronger focus on regionally based events and media activity, so the City Corporation's focus on exports and investment will avoid duplication.

Regional Partners

10. The following regional centres are recommended as the partners we work with in our first year of the strategy. They have inward investment organisations with whom we can partner, significant industry presence, and are all regions where we have an established relationship.

Edinburgh: 49,805 jobs in financial and related professional services; banking, insurance, consulting; asset management and legal; £4.8 billion GVA in Edinburgh

Belfast: 17,887 jobs in financial and related professional services; banking, emerging cyber sector, IT; 5.6% of GVA and 4.4% of employment in Northern Ireland.

Manchester: 45,530 jobs in financial and related professional services; banking, insurance, professional services; £2.6 billion GVA; a Top 10 European business location.

11. Edinburgh and Manchester are the largest regional centres for the industry and make natural partners for this initiative. Belfast is a significant regional centre, but we are also responding from an approach from regional political and business leaders who have asked to work with us. Following initial discussions with both Scottish Enterprise and MIDAS (Manchester's inward investment agency), they are both keen to work with the City Corporation.

Next Steps

12. Subject to Members agreeing the regions we will partner for the first year of the strategy, the Global Export and Investment team will then liaise with the relevant inward investment organisation to confirm the proposal. The agreement will be informal, but the offer confirmed and accepted in an exchange of letters between senior officials or elected representatives. The partnerships can then be 'launched' formally when the Lord Mayor or Policy Chairman visits the relevant regions, although this will not preclude the partnership work from commencing immediately.

Resources

13. The majority of the activity can be delivered within existing resources, however depending on the scale of the proposed events hosted for each region by the City Corporation in London, a request may be made to the Policy & Resources Committee for support via the Policy Initiatives Fund.

Review

14. The pilot regional strategy will be reviewed after 6 and 12 months to assess its impact, ensure that the resource commitment is sustainable and look at next steps.

Recommendation

15. Members are recommended to approve the regional strategy.

Giles French
Assistant Director of Economic Development
giles.french@cityoflondon.gov.uk
020 7332 3644