

<b>Committee(s)</b> P&R	<b>Dated:</b> 03 May 2018
<b>Subject</b> Flint Global impact report on EDO activity	Public
<b>Report of:</b> Director of Economic Development	<b>For Information</b>
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### Summary

To evaluate the impact of the changes implemented by the City Corporation in its work of promoting and representing financial and professional services considering the 2015 Fraser Review, an impact report was commissioned from Flint Global. This report found that stakeholders were very positive about the progress and direction of travel, noting the improvement in external partnerships and the City Corporation's leadership in key policy areas. Of the report's recommendations, many are already being acted on – affirming that the City Corporation's thinking is largely aligns with our external stakeholders. Three additional areas we will return with advice on are: 1) the name of the Economic Development Office; 2) the City Corporation's strategy for engaging with other international financial centres, particularly in Asia; and 3) the showcasing of the City Corporation's financial and professional services work more widely.

### Recommendations

**(1) Members are asked to note the content of this report.**

### Main Report

1. In 2015, the City Corporation commissioned Flint Global to review the impact of the City Corporation's work in promoting and representing financial and professional services. The Fraser Review, based on interviews with key stakeholders, noted that the City Corporation's had an opportunity to step up to successfully navigate the significant challenges ahead for financial and professional services. The review particularly highlighted the need for a clear strategy and effective partnerships with external organisations.
2. Based on the Fraser Review, the City Corporation strengthened the capability and capacity of the Economic Development Office, including through:
  - **The development of the Global Exports and Investment team**, expanding our international reach while refocusing on priority markets. The team promotes business opportunities at home and abroad, working closely with Government and industry partners.
  - **The reshaping and expansion of our office in Brussels**, with a new forthcoming senior level appointment to lead these operations.
  - **Enhancing the profile of our regulatory influence**, through development of an agreed industry position on post-Brexit market access agreed with the

International Regulatory Strategy Group, alongside enhanced engagement with international regulators.

- **Expanding into new areas of work driving innovation in financial services** – in particular green finance and FinTech – in close collaboration with Government and industry partners.
3. To evaluate how our key stakeholders across Government and industry view the progress made since this initial review, a follow-up report was commissioned. This report followed a similar approach to the original review, drawing insight from interviews with 25 key stakeholders across Government departments, City firms, trade associations, and regional partners. Nine of these had been interviewed for the original review.

## Report Findings

4. Overall, interviewees were very positive about the progress and direction of travel for the City Corporation's FPS work, noting greater expertise, purpose and direction. They also saw greater reach, coordination, and collaboration with partner organisations.
5. Since 2016, EDO has placed a significant emphasis on strengthening our partnership working, with trade associations, government departments and regional partners. The report highlights the widespread recognition and appreciation of the City Corporation's coordination of and collaboration with our partners. Even as the City Corporation is doing more with its partners and taking on an increasing leadership role (which was appreciated by the stakeholders interviewed), there has been less rather than more friction.
6. There was praise for the leadership that the City Corporation is bringing to key policy areas. The stakeholders interviewed praised the collaborative approach, energy, and commitment to clarity of purpose brought by the Chairman of Policy and Resources. The report also noted the value and importance of the previous and current Chairman of Policy and Resources playing a strong role in financial and professional services discussions. This ability to contribute to the debate, and amplify key messages, was seen as central to the City Corporation's position in the City.
7. The report identifies that there are choices for the City Corporation in defining and differentiating its role and considering where to focus its leadership to bring most value to the wider industry. The report recommends reinforcing our focus on cross-cutting themes such as skills, immigration, and tax. Stakeholders highlighted the importance of the City Corporation strengthening its leadership role in defining and representing the City of the future, with an agenda focused on innovation.
8. EDO's recent work on policy issues such as fintech and green finance was highly regarded by the stakeholders interviewed. To maximise the impact of this work, it was recommended that EDO could do more to link specific policy initiatives to international visits and to work with industry partners to ensure a consistent voice.

The report also recommended that more could be done to showcase successful initiatives and to share information on the programme of work more widely.

9. Stakeholders were very positive on the City Corporation's Brexit focused work, which was good evidence of this stronger and more effective collaboration with partners in the public and private sectors. The strengthening of the City Office in Brussels was welcomed, and stakeholders were keen to see this progress rapidly. The stakeholders interviewed were excited about the possibilities of the City Corporation using its enhanced presence in Brussels to bring together the different organisations representing the UK financial and professional services in Brussels to act as a hub for developing long-term strategy.
10. Stakeholders agreed that, as the UK leaves the European Union, it is essential to move fast to secure and develop the UK's comparative advantage with other financial markets. It was felt that the City Corporation has the opportunity to play a very important role here. A range of stakeholders recommended that the City Corporation should consider its presence and relationship with China and India, but also beyond this, with Singapore, New York and Switzerland. There was also perceived to be an opportunity for the City Corporation to coordinate the UK financial and professional services sector's engagement with international organisations and standard setting bodies, such as the G7, G20 and the Financial Stability Board.
11. There was also appreciation of greater collaboration with central government on international engagements and alignment of messages across EDO and Mansion House: international visits are considered to be better planned and structured than previously. It was recognised both that there is now a clearer distinction between EDO and Mansion House and also that the teams are working more effectively together. Stakeholders were particularly positive about the more strategic and coordinated approach to current and future Lord Mayors.
12. Stakeholders were also very positive about the City Corporation's Regional Strategy and there was an appetite for an even stronger focus on the City Corporation's ties with other regions. Where links already exist, feedback was highly positive, specifically on the flow of information and coordination of international events.
13. The report notes the opportunity for the City Corporation to think strategically and creatively around its events programme, in order to get the most value out of the events that are run. Several stakeholders stressed the importance of ensuring that the City Corporation's events programme reflects the diversity of people and businesses in the Square Mile and also the wider UK. They also highlighted the importance of updating who the City Corporation invites as new market players emerge.
14. The name 'Economic Development Office' was raised as a potential barrier to understanding. Stakeholders suggested that this could give the impression of a team focused on traditional local authority economic development activities around regeneration and supporting the unemployed into work. As such, the name was seen as creating some unnecessary confusion.

## **Next Steps**

15. The Committee will be pleased to note that in many areas the findings of the report resonate with planned developments in EDO's work:
- At the 12 April meeting, this Committee approved the expansion of the pilot Regional Strategy to three further centres – Cardiff, Birmingham and Leeds – with a dedicated regional relationship manager;
  - The focus of the new Assistant Director within EDO will be on innovation and the future competitiveness of the City; and
  - We are making progress on the recruitment of a senior figure to be the Managing Director of the City Office in Brussels.
16. We will do further work to explore the following areas and return to this Committee with recommendations in the following areas:
- A name for the Economic Development Office which would more accurately communicate the Corporation's focus and activity to stakeholders. The strongest feedback suggested that bringing out the City Corporation's ambitions to support London and the UK and its global reach were both critical. On this basis, 'Global Competitiveness Directorate' might serve the purpose
  - Further consideration of the City Corporation's strategy for engaging with other international financial centres, with particular regards to Asia.
  - The showcasing and promotion of the City Corporation's financial and professional services work more widely.

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