



Public Relations and Economic Development Sub-Committee

Date: THURSDAY, 2 MAY 2013
Time: At the rising of the Policy and Resources Committee
Venue: COMMITTEE ROOM - 2ND FLOOR WEST, GUILDHALL

Members: Deputy Douglas Barrow
Mark Boleat
Stuart Fraser
Deputy Michael Cassidy
Roger Chadwick
Jeremy Mayhew
Deputy Catherine McGuinness
Sir Michael Snyder
James Tumbridge
Alderman Alan Yarrow

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John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA**

3. **TERMS OF REFERENCE**

To note the terms of reference of the Sub-Committee as follows:-

To consider and report to the Grand Committee on all matters relating to the City Corporation's Economic Development, public Relations, Public Affairs and Communication activities, including any related plans policies and strategies.

For Information

4. **APPOINTMENT OF CO-OPTED MEMBERS**

To appoint up to four Members co-opted from the Court of Common Council.

For Decision

5. **MINUTES**

To agree the public minutes of the meeting held on 14 February 2013 (copy attached).

For Decision
(Pages 1 - 6)

6. **SUPPORTING AND PROMOTING THE CITY OF LONDON**

a) EU Strategy - Engagement Activities (copy attached). (Pages 7 - 16)

b) Chairman's Visits - Update on visits to India, the US, Poland and Lithuania

c) Aviation Connectivity and the Economy (copy attached) (Pages 17 - 28)

7. **SUPPORTING LONDON'S COMMUNITIES**

To consider matters relating to supporting London's communities, including the programme for tackling unemployment and the new Corporate Community Involvement Guide.

8. **HERITAGE AND GREEN SPACES**

To consider matters relating to London's heritage and green spaces, including the Magna Carta, Lord Mayor's Show and planned research on open spaces.

9. **2013 PARTY CONFERENCES ACTIVITY**

Report of the Director of Public Relations (copy attached).

For Decision
(Pages 29 - 32)

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

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Agenda Item 5

PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB-COMMITTEE

Thursday, 14 February 2013

Minutes of the meeting of the Public Relations and Economic Development Sub-Committee held at the Guildhall EC2 at 10.45am

Present

Members:

Mark Boleat (Chairman)	Deputy Edward Lord
Stuart Fraser (Deputy Chairman)	Jeremy Mayhew
Roger Chadwick	Deputy Catherine McGuinness
Deputy Sir Michael Snyder	James Tumbridge
Deputy Douglas Barrow	Alderman Alan Yarrow

Officers:

John Barradell	- Town Clerk and Chief Executive
Tony Halmos	- Director of Public Relations
Giles French	- Assistant Director of Public Relations (Corporate Affairs)
Paul Sizeland	- Director of Economic Development
Liz Skelcher	- Economic Development Office
Simon Murrells	- Assistant Town Clerk
Angela Roach	- Town Clerk's Office

1. APOLOGIES

An apology for absence was received from Deputy Michael Cassidy.

2. DECLARATIONS BY MEMBERS OF PERSONAL OR PREJUDICIAL INTERESTS IN RESPECT OF ITEMS TO BE CONSIDERED AT THIS MEETING

There were no declarations.

3. TERMS OF REFERENCE

The Sub-Committee noted its terms of reference as follows:-

To consider and report to the Grand Committee on all matters relating to the City Corporation's Economic Development, public Relations, Public Affairs and Communication activities, including any related plans policies and strategies.

4. **WORK OF THE SUB-COMMITTEE**

Members proceeded to consider the work of the Sub-Committee. During discussion the following points were made:-

- The Sub-Committee should seek power to act from the Grand Committee to enable it to deal with the arrangements for the annual party conferences;
- Reference was made to the activities undertaken to promote the City and it was suggested that, in order to ascertain how it could be enhanced a paper should be produced setting out current activities such as the work undertaken by Heart of the City and City Action. Members supported this and felt that, in addition, details of promotional work undertaken externally by City businesses should be submitted to a future meeting.
- Members noted the work being undertaken by the Davies Airport Commission and agreed that it was important to monitor and promote activities relating to air travel, particularly with regard to connectivity.
- Members noted that the issuing of business visitor visas was also very important issue which the City Corporation should continue to raise and apply pressure to where necessary. Reference was made to current research being undertaken on the issue and Officers undertook to circulate a copy of the paper "Open for Business". A Member stated that central Government needed to ensure that it differentiated between visitors and others as currently business visitors were being refused entry into the UK and as a consequence they were now holding business meetings in cities outside the UK. Members supported the production of a paper setting out the line to be taken generally on the current visa situation.
- It was suggested that the area of technology should also be considered by the Sub-Committee.

RESOLVED: That it be recommended to the Grand Committee that the Sub-Committee's terms of reference be amended to allow it to deal with the arrangements for the annual party conferences and that the following papers be prepared for consideration at future meetings of the Sub-Committee:-

1. in order to ascertain how promoting the City could be enhanced, a paper be produced setting out current activities undertaken by the City Corporation such as the Heart of the City and City Action activities;
2. the details of promotional work undertaken externally by City businesses; and
3. the production of a paper setting out the line to be taken on the current visa situation.

5. **APPOINTMENT OF CO-OPTED MEMBERS**

The Sub-Committee considered the appointment of a number of co-opted Members from the wider Court to serve on it.

Members noted the high number of expressions of interest received.

Reference was made to the recommendation from an informal meeting of the Sub-Committee that Alex Deane, Wendy Hyde and Ian Seaton be appointed to serve on the Sub-Committee. Reference was also made to the high level of talent available from amongst the Court and, as a consequence, it was proposed that the number of co-optees be increased from three to four Members. It was also suggested that, should the Grand Committee be minded to support the increase, Sophie Fernandes be appointed as the fourth co-optee. The Sub-Committee supported the suggestions.

RESOLVED – That:-

1. Alex Deane, Wendy Hyde and Ian Seaton be appointed to serve on the Sub-Committee as co-optees; and
2. the Grand Committee's approval be sought to increase the number of co-optees from the wider Court from three to four and that, should the request be supported, Sophie Fernandes be appointed as the fourth co-optee.

6. **CITY OF LONDON COMMUNICATIONS STRATEGY - 2013 - 2016**

The Sub-Committee considered the draft City of London Communications Strategy for 2013 -2016.

During discussion the following matters were raised:-

- the merits of the production of an annual report in order to make relevant audiences more aware of the full range of the City Corporation's activities, particularly those who were decision makers;
- use of the website in communicating key messages;
- the forth-coming opinion polling of the City Corporation's target audiences which would result in more up to date information;
- Members questioned the priority order of the communication challenges and it was suggested that the sentence highlighting the order of priority should be removed and reference to the follow-up from the Common Council Elections moved further down the list; and
- a reference to responsible capitalism should be included in the key messages.

RESOLVED –That the Strategy be amended to take on board the above-mentioned comments where appropriate and that a revised version be submitted to the Grand Committee for approval.

7. **PUBLIC RELATIONS OFFICE BUSINESS PLAN - 2013 - 2016**

The Sub-Committee considered the Public Relations Office Business Plan for 2013-16.

Reference was made to future horizon scanning and it was suggested that the issue of regulation should be included.

In response to a question on the inclusion of transaction tax, the Director of Economic Development advised that his office was working on research looking at the effects on the bond market. It was therefore suggested that the matter be referred to in the Economic Development Office's Business Plan.

RESOLVED – that the Public Relations Office Business Plan be amended to take on board the issue of regulation and that a revised version be submitted to the Grand Committee for approval.

8. **ECONOMIC DEVELOPMENT OFFICE BUSINESS PLAN - 2013-16**

The Sub-Committee considered the Economic Development Office Business Plan for 2013-16.

A Member referred to the strategic aims and commented that reference should be made to businesses generally and not just financial services. During further discussion the following suggestions were made:-

- the Plan should include activities being undertaken to attract businesses to London;
- the inclusion of the issues of Libor and extradition should be considered;
- thought should be given to the approach to be taken with regard to Corporation Tax and, due to the sensitivities surrounding the issue, the Chairman should be provided with a line to take on the matter.

RESOLVED – that the Economic Development Office Business Plan be amended to take on board the above mentioned suggestions, where appropriate, and that a revised version be submitted to the Grand Committee for approval.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

A Member questioned whether reports from the Directors of Public Relations and Economic Development should be given prior consideration by the Sub-Committee. The Chairman pointed out that he was keen to avoid unnecessary bureaucracy and that future items should be treated on their merits. For example, the annual paper providing an overview of the work with think tanks should be seen by the Sub-Committee first but not items relating to individual policy proposals. Members supported his view.

10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no items of urgent business for consideration.

The meeting closed at 11.50am

Chairman

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Report by Policy Chairman April 2013

Introduction

Following the commitment given by the Lord Mayor that he and I would engage with every EU Member State this year, to support and promote London's role as Europe's international financial centre, I wanted to keep you updated on recent activity.

The European institutions and the Member States have welcomed our increased engagement, but we should be under no illusions as to the challenges we face during this time of uncertainty, in both the UK's relationship with the EU and the future of the Eurozone.

The Prime Minister has also increased his efforts to engage with the other Member States, having recently visited Madrid and planned to have meetings in Paris and Berlin, to discuss reforming the EU and making it fit to face the challenges of 21st century competitiveness.

The key events in the past three months have been -

1. Hosting a Business for a New Europe seminar at which the principal speakers were David Miliband and Liam Fox;
2. Meeting with Commissioner Barnier;
3. A lunch with the Polish Ambassador;
4. A dinner with seven British MEPs in Strasbourg;
5. Hosting a Policy Network Conference that featured major speeches by the President of the European Council, the Vice President of the European Commission, the Foreign Minister of the Netherlands, and the Deputy Premier of Ireland;
6. Hosting meetings with the French, Polish and Irish Finance Ministers;
7. By-lateral meeting with Irish Taoiseach;
8. Meeting with German Ambassador and with German MPs;
9. Visit to Slovakia;
10. Dinner with French Ambassador, Lord Mandelson, Lord Howard and Peter Kellner.

Some very clear messages:

- Other countries want UK in the EU and playing a full part. The British input into policy making is highly valued by other Member States;
- But British anti-Europe rhetoric does not always help Britain's case;
- Prime Minister's speech in January (see [here](#)) said helpful words on his commitment to EU membership;
- However, not at all clear what Britain wants from any "renegotiation". So far the financial services and other industries have not indicated large areas where powers could be repatriated. There is no prospect of any treaty change, at least in the short to medium term;
- The UK Government has raised the prospect of securing "opt-outs" on certain areas of EU policy, such as intelligence-sharing on crime;
- Negotiating position is not helped by threats to leave if UK does not get its way;
- Regardless of longer term issues UK needs to be fully engaged at EU Council, European Commission, European Parliament and inter-governmental level;
- A broad vision for Europe is needed and with an emphasis on the City's role as Europe's financial centre;
- The links between the City and the wider economy, and its role in delivering long-term growth across the continent, needs to be better explained;
- The City should not exaggerate the "plot" against the City by France and Germany. The Eurozone is not setting out to marginalise the UK, but further integration, if it occurs, will have an impact on the UK's ability to influence policy and on the role of the City. The UK needs to be more involved in the development of the Banking Union, even though it will not be a member. The agreement at the December summit on voting in the European Banking Authority (EBA) and non-discrimination against countries not in the Euro was significant;
- The EU is not only about the Single Market and this is an important message for the UK. The EU has never just been an economic community, something that was very clear when Britain joined in 1973;
- Proposals for FTT and the limit on bankers' bonuses show weakness of UK position, particularly in the European Parliament. MEPs, elected by the voters of the EU, naturally regard themselves as the representatives of the people. The UK collectively has given far too little attention to the European Parliament. Van Rompuy Guildhall speech (see [here](#)) well worth reading to get a good impression of the British position as seen from the EU;

Actions:

- **Greater engagement with EU institutions**
- **Greater engagement with EU Member States**
- **Contributing evidence to the debate on the value to Britain of the EU**

Engagement with EU institutions

Visit to Strasbourg - The Policy Chairman hosted a high-level dinner with UK MEPs and senior industry practitioners in Strasbourg in February to discuss the position of the UK in Europe and reiterate the City's support for UK membership of the EU. It also provided an opportunity to introduce the new Chair of the IRSG, Rachel Lomax.

Meeting with Commissioner Barnier (1 February) - The Lord Mayor hosted a keynote address by Commissioner Barnier on the Single Market and Growth. A private meeting was also held with the Lord Mayor and senior IRSG practitioners. The discussion included the UK's relationship with the EU, banking union and long-term finance.

Meeting with Sylvie Goulard MEP – the Policy Chairman hosted a round table discussion with City practitioners and Sylvie Goulard (a French MEP from the ALDE grouping). Issues included the relationship between the UK and the EU, Banking Union, the Eurozone and the Single Market and the broader EU decision making process. Ms Goulard feels strongly that MEPs are the elected representatives of the people of Europe and therefore should play a major part in the decision taking process.

Engagement with EU Member States

Meeting of European Financial Centre Roundtable (5 December)

Representatives from Stockholm, Amsterdam, London, Edinburgh, Madrid, Luxembourg, Paris, Frankfurt and Munich met in Brussels on 5 December. The agenda included discussion on the Commission's forthcoming Green Paper on long-term finance with the European Commission official responsible for this subject.

Dialogue with Ireland (current holder of the EU Presidency)

A roundtable discussion was held in Brussels on 11 December with the financial services attaché from the **Irish Permanent Representation**, who presented the Irish priorities for its upcoming Presidency. Discussion included the challenges the Irish Presidency will face in the field of financial services.

A meeting with the **Michael Noonan, Irish Finance Minister**, took place on 21 February in London. Talking about the Irish priorities during their Presidency, he confirmed that Ireland's goal is to complete the implementation of the banking union as soon as possible. Other priorities include Capital Requirements Directive IV (CRD4), the Recovery and Resolution Directive (RRD) and Markets in Financial Instruments Directive (MiFID2/MiFIR). As regards taxation, it had prioritised discussions on the financial transaction tax (FTT) at the beginning of their Presidency and is now working on the consolidated corporate tax base on value added tax and energy taxation. Other topics discussed included banking union, and market finance. Since the meeting we have followed up with Michael Noonan's officials by submitting papers on FTT and Shadow Banking.

Meeting with the Taoiseach 11 March

Following a private lunch hosted by the Lord Mayor in Mansion House last November the Taoiseach paid a further visit to the City on 11 March. After a short bilateral focussing on the need to find a solution to the bonus cap issue (CRD IV) the Taoiseach gave a speech (see [here](#)) at Mansion House highlighting Ireland's progress in addressing the problems arising from the financial crisis.

Dialogue with France

The Policy Chairman hosted a keynote address by the **French Finance Minister Pierre Moscovici** in the Livery Hall on 25 February. During a pre-meeting, they discussed the City of London's relationship with Paris Europlace and issues of regulatory concern. In his keynote speech, the Minister talked about on-going economic reforms in France, presenting a very optimistic picture, contrasting with the negative view portrayed by the media.

The Policy Chairman and André Villeneuve (former IRSG Chairman) visited Paris in January as part of the ongoing Anglo-French dialogue with Paris Europlace.

Discussions included joint work on the Wholesale Financial Markets project and CRD4. Meetings were also held with the **Banque de France, Tresor** and the **banking and securities regulators** to discuss Banking Union and other regulatory issues.

Dialogue with Germany

The Policy Chairman hosted a lunch for members of the **German Bundestag's Finance Committee** on 6 March. The purpose of the Committee's visit was to get British views held by decision makers from both the official and the business sector on all financial services related matters and, ultimately, the relationship between Britain and the EU. The meeting provided an excellent opportunity to get first hand views from German MPs and engage in a discussion on important EU regulatory issues of concern. Issues discussed included banking union, FTT, MiFID and CRD4.

Engagement with other EU Member States

Visit to Slovakia

The Policy Chairman visited Bratislava on 21 February to meet with officials at **the National Bank of Slovakia, the Ministry of Finance, the Slovak Banking Association, the Debt and Liquidity Management Office** and business representatives. The Policy Chairman stayed at the British Ambassador's residence and had useful discussions with the Ambassador. The key topics for discussion were Banking Union and the FTT. Slovakia is one of the success stories of the EU, with a stable economy and banking structure, but Britain has had little engagement.

Meeting with Polish Finance Minister

The Lord Mayor and the Policy Chairman met **Prof. Jacek Rostowski, Polish Minister of Finance**, on Friday 15 February. The discussion included the Eurozone crisis and the relationship between the two countries. It was followed by a conference on "Financial stability – new arrangements for better economic prospects in Europe". The Lord Mayor delivered the opening speech and the Policy Chairman delivered the closing remarks. The Policy Chairman will be visiting Warsaw on 22/23 April before meeting up with Lord Mayor in Lithuania for the next Pre-Presidency visit.

Contributing to the debate

Business for New Europe Seminar

On 11 February Guildhall hosted a Business for New Europe seminar *Britain and the Future of Europe – Participation, Disengagement or Drift?* The discussion focussed on the nature and extent of Britain's future relationship with Europe, with particular reference to the possible referendum, repatriation of powers, and the importance of the Single Market and the need for Britain to form effective alliances within the EU.

The debate featured the former Foreign Secretary David Miliband, the former Defence Secretary Liam Fox along with Hugo Dixon of Reuters News and Andrew Lilico of Europe Economics.

Policy Network Conference

On 28 February the City of London hosted a major Policy Network Conference *Prospects for revival in the Eurozone – and what place for Britain in Europe?* The conference discussed the key issues around the future of Europe with keynote addresses by the President of the European Council Herman van Rompuy, the Vice-President of European Commission Olli Rehn, the Irish Deputy Prime Minister Eamon Gilmore and the Dutch Foreign Minister Frans Timmermans. Lord Mandelson, former EU Commissioner, chaired some of the panel discussions.

The conference featured sessions entitled:

- Britain in Europe: channelling change together
- Three years on – is the Eurozone out of the woods?
- Two-tier or multi-speed: what kind of differentiated integration for the EU?
- Britain's place in Europe

French Embassy event

The Policy Chairman attended a discussion session on attitudes to the EU at the Institute Francais on 26 March. Lord Mandelson, Lord Howard, Peter Kellner, a former French minister and the EU representative to the UK were the speakers. The

Policy Chairman subsequently attended a private dinner with the French Ambassador and the speakers.

Planned Engagement in London

Future activity already confirmed includes private roundtable discussions with two Conservative Party Backbench groups, Fresh Start and European Mainstream. An event is also in preparation with the Shadow Europe Minister Emma Reynolds.

Planned Engagement in Member States

See attached appendix.

UK review of the Balance of Competences

The City of London Corporation has made its first submission to the Government's Balance of Competences Review: a review of what the EU does and how it affects the UK. Our submission (see [here](#)) was to the Department of Business Innovation and Skills which is reviewing the Single Market. The submission made a number of key points, including:

- The Single Market helps to achieve economies of scale, greater market competition and specialisation;
- Financial hubs are spread across Europe and require open, competitive and efficient markets, and the ability to move people, capital and services across borders;
- The Single Market is a long-term project and further measures, including legislation, are required to complete it.

A further submission, probably under IRSG auspices, is planned in the autumn covering the themes of 'Capital' and 'People' under the next phase of the consultation.

PRO/EDO

10 April 2013

LORD MAYOR/POLICY CHAIRMAN – EU ENGAGEMENT PLAN 2013

Overseas visits

(1) Completed

November 2012: Dublin	LM/CPR
14/15 January: Paris – Anglo French dialogue	CPR
6 February: Strasbourg – European Parliament	CPR
21/22 February: Slovakia – government/regulators	CPR

(2) Planned

4/5 June: Germany -Berlin/Frankfurt	CPR
30/31 May: Finland	LM
1-5 June: Swede	LM/CPR
23/25 April: Lithuania	LM/CPR
21-23 April: Estonia	LM
22/23 April: Poland	CPR
4 November: Luxembourg	CPR
5 November: Belgium	CPR
Italy: Milan/Rome - tbc with TheCityUK	?
Spain: date tbc	CPR
Netherlands: date tbc (TheCityUK lead)	?
Denmark: September tbc	CPR
Czech Republic: October tbc	CPR

Total Member States to be visited – 14

London based activity

(1) Completed

9 Jan, 25 Jan, 6 March Germany: Bundestag delegation/BaFin	CPR
1 February: Commissioner Barnier/DG J. Faulf	LM
8 February: Verena Ross, CEO, ESMA (TheCityUK)	Ald Yarrow
15 February: Poland – Finance Minister	CoL
21 February: Ireland – Finance Minister	CoL
25 February: France – Finance Minister	CPR
28 February: Council/Netherlands/Commission – Van Rompuy, Timmermans, Rehn	CPR
1 March: France – Sylvie Goulard MEP	CPR
11 March: Ireland – Taoiseach	LM/CPR
11 March: Working lunch with Nordic-Baltic Embassies	CPR
Jan-March: City Programme – Lithuania; Croatia	CoL

(2) Planned

Malta: working lunch with departing High Commissioner – date tbc	CPR
Ireland: event with EU Ambassadors: May/June tbc	CPR
Greece: Finance Minister: date tbc	CPR/LM
23 May: France – Anglo French dialogue	CPR
23 May: Focus on Europe - Mario Draghi, ECB President/ President of Croatia tbc	LM/CPR
Austria: offer made to/accepted by DHM/Ambassador tbc	
Hungary: offer made to/accepted by DHM tbc	
Latvia: tba	
Portugal: tba	
Romania } CPR visit Sept 2012. Follow up tba	
Bulgaria } lunch/other event tba	CPR
Slovenia – LM visit Sept 2012. Follow up tba Lunch/other event	LM
Cyprus – Pre Presidency visit April 2012 tba Follow up lunch?	LM

Additional (to overseas visits) Member States covered – 12 (including Croatia)

Grand Total 27

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AIRPORTS COMMISSION - DISCUSSION PAPER 02: **AVIATION CONNECTIVITY AND THE ECONOMY**

Response from the City of London Corporation *Submitted by the Office of the City Remembrancer*

Introduction

1. The City of London's leading position as an international finance and business centre is heavily dependent on it being easily accessible not only from across the UK but, crucially, also from all over the world.
2. Aviation services are vital to the wellbeing of London and the UK economy, and the City welcomes the creation of the Airports Commission to consider options for maintaining this country's status as an international hub for aviation. There is evidence to suggest that constraints on capacity are damaging to economic growth and the lack of capacity will continue to have a detrimental impact until a long term solution is found. In this context, concern remains over the length of time the work of the Airports Commission is expected to take. The timetable for solving the problem needs to be shortened substantially, the interim report being as soon as possible and government being committed to take a firm decision as soon as the final report is received.
3. The City Corporation recently published research to build on the previous City-backed studies into the importance of aviation set out below. The new research is in two parts looking at the importance of hub capacity and London's connections to emerging markets. Both were undertaken to feed into the work of the Airports Commission and copies are appended to this response.
4. This response summarises the key findings arising from the City Corporation's research into connectivity. The questions posed in chapter 5 of Discussion Paper 02 are also considered in the appendix to the response.

The importance of connectivity

5. The City Corporation has recently published two reports, by York Aviation, exploring London's Air Connectivity and they have been prepared as a contribution to the on-going debate on how to meet London's airport capacity needs and the importance of retaining hub status. The first report, '*London's air connectivity: the importance to London of having world class aviation hubbing capacity*' examines the importance of London's hubbing capacity to the maintenance of connectivity by air to key business markets, focusing on the extent to which hub connecting traffic underpins the provision of services in London to 20 key business centres. The second, '*London's air connectivity: emerging and growth markets*' examines London's current connectivity, by air, to 22 growth and emerging markets, and compares this region's connectivity with four other primary European air travel hubs (Amsterdam, Frankfurt, Madrid and Paris) and with another growing global hub, Dubai.

6. The need for businesses to travel to and receive visitors from emerging countries will increase over time as their economies grow. The principal concern, therefore, is the extent to which London will be able to keep pace with its competitors in future. The vast majority of London's business related air connectivity beyond Europe is provided by Heathrow.
7. Overall, the City's research found that London is most well-connected global hub to these 22 markets, and has direct connections to 17 of the 22 considered. But although well-connected to India and China, London is less well connected to Latin America in particular. However, the research indicates that whilst London remains ahead of competing hubs its status is being challenged by rapidly expanding Middle East hubs, Dubai in particular, and especially towards non-European destinations¹.
8. A key reason why services to the emerging economies tend to be concentrated at Heathrow is its status as a hub. Often routes to individual cities within emerging countries are too small to support direct services without feeder traffic through a hub. The dependence of particular markets on transfer traffic overall varies considerably, with routes to countries such as Brazil, China, India and Mexico far more dependent on transfer passengers than routes to countries such as Pakistan, Poland or Turkey. In terms of services from Heathrow, these are much more dependent on transfer traffic than routes from Gatwick or, indeed, the other London airports². Almost 85% of the 28 million³ of transferring passengers using London airports used Heathrow Airport, at which over 34% of passengers were using the airport to connect between flights⁴. This reflects the ability of Heathrow to function as a hub and the ability to operate such routes from a hub airport.
9. In some markets, transfer passengers from Heathrow make up a very high proportion of overall demand; as high as 65% in the case of the route to Mexico City from Heathrow. Other countries with particularly high dependence on transfer traffic from Heathrow include the Czech Republic, India and South Africa. It is also evident that British Airways is more dependent on transfer passengers than other airlines at Heathrow. For example, over half of BA's passengers on Heathrow routes to Brazil, Egypt, India, Morocco, South Africa and Taiwan are making transfer connections onto such flights.
10. The ability of Heathrow to function as a hub is a factor in securing a wider route network than would otherwise be the case. The analysis found that for British airlines and British Airways in particular, having an airport capable of functioning as a hub is critical to the development of new routes and services. These additional routes and services are often to emerging business centres and, hence, provide UK businesses with a wider range of opportunities⁵. This is relevant to considering the extent to

¹ "London's air connectivity: emerging and growth markets", York Aviation, published by the City of London Corporation, December 2012.

² It is only on the route to Mexico that BA relies on a reasonable (28%) proportion of transfer passengers at Gatwick. Other airlines do not use Gatwick as a hub to any great extent either, with only 6% of passengers in the relevant markets transferring onto flights at Gatwick with other airlines.

³ Transfer passengers are counted twice – once when they arrive by air and once when they depart.

⁴ "London's air connectivity: the importance to London of having world class aviation hubbing capacity", York Aviation, published by the City of London Corporation, December 2012.

⁵ "London's air connectivity: emerging and growth markets", York Aviation, published by the City of London Corporation, December 2012.

which Heathrow will be able to continue to provide a gateway for the opening up of such point to point services in future.

11. Heathrow has been constrained for some time, running at almost full capacity. Nevertheless, carriers at Heathrow have been able to adapt their networks so that, in overall terms, key business connections are maintained. This, however, has been at the expense particularly of UK domestic connections and connectivity to Europe from Heathrow. This is where other London airports have made a particular contribution, with a particular increase in the range of European services overall across the London airports.
12. It is clear that the scope for enhancing the range of services to the emerging economies at Heathrow is ultimately limited by the shortage of slots. Where there are capacity constraints airlines tend to focus on income generating routes - high value long haul and high volume short haul. Hence the routes you would expect to see suffer in these circumstances are the lesser established long haul routes, for example to emerging markets. The extent to which it will be possible to introduce services to newly emerging world cities will be limited by the need for these services themselves to be supported by feeder traffic, largely from the European and domestic network but also by services from the US, which also provide feeder traffic onto routes to Asia and to Africa.

Previous research into the importance of aviation

13. The City Corporation first commissioned research into the importance of aviation in 2002. The study⁶ identified that the provision of air services in London that are able to compete with and outperform services available in other financial centres are essential if London is to remain globally competitive. This was updated by a further study published in July 2008⁷ which looked at the extent to which City businesses relied on air travel. Although it did not go as far as placing a monetary figure on the value of aviation to the UK economy, this research demonstrated that, at the time, 64% of businesses regarded air travel as critical or very important for internal company purposes, and that 73% considered aviation critical or very important for meeting external clients or service providers. In addition, 82% of businesses regarded Heathrow as critical or very important to their operations, making it the most highly-valued airport in the South East by some margin. This was largely attributed to the wide range of destinations served and the frequency of the service. The research concluded that that this hub airport plays a key role in the functionality of the financial services industry in the UK.
14. The 2008 report concluded that, in recent years, Heathrow had stagnated and lost some of its market share to European competitors. This is reflected in the fact that, while the frequency of services from Heathrow rose between 2003 and 2008, the number of destinations to which it provided air services declined and, in comparison with other major European hub airports where additional runways have been built to meet rising demand, the rate of expansion has been noticeably slower. Furthermore,

⁶ “*The Use of Aviation Services in the City of London and the Central London Business District and the Implications for Future Aviation Policy*”, Oxford Economic Forecasting, published by the City of London Corporation, December 2002.

⁷ “*Aviation Services and the City*”, York Aviation, published by the City of London Corporation, July 2008.

50% of businesses surveyed regarded road and rail access to London's airports as worse than that of airports in other major cities.

15. Whilst recognising the importance of Heathrow to London's business community, both pieces of research highlighted major weaknesses in the airport's management. The 2002 report indicated that there was real concern about time wasted at airports waiting for security checks reflecting the expense to companies of having staff unable to work because of overly-long airport security processes. The 2008 report also identified that inefficient security procedures led to passenger delays and also prevented many flights leaving Heathrow at the time scheduled.
16. The 2008 research⁸ identified some of the environmental concerns inevitably attached to any of the expansion options, in particular aircraft noise disturbance and local air quality. This aspect has also been recognised by the Corporation as important.

Conclusion

17. Whilst to date it would appear London has not lost connectivity in either absolute or relative terms because of capacity constraints, this may not continue to be the position as economic power shifts to new centres and demand for air travel to new routes increases. This underlines the importance of the work of the Airports Commission to find an urgent long-term solution which enables the UK to keep pace with the connectivity provided by competing centres' airports. It is suggested a greater range and frequency of connections to key cities in the emerging economies is more likely to develop through a focus on hub capacity than relying on non-hub airlines to develop services feeding their own hubs overseas.

April 2013

⁸ "Aviation Services and the City", York Aviation, published by the City of London Corporation, July 2008

Questions posed in chapter 5 of Discussion Paper 02.

5.4 Questions relating to the nature of connectivity in the UK and its drivers:

- Do you agree with the definition of connectivity presented in the paper? What other factors, if any, should we take into account and how do they impact connectivity?

Research undertaken by the City Corporation in 2008, 2011 and 2012 has identified the following key features of connectivity which are required for an effective airport offer for business passengers:

Breadth of European connectivity – the City of London’s role as a financial and professional services ‘hub’ for Europe drives the need for extensive European connections, with an obvious focus on major business centres and capital cities. These are essential for firms operating European headquarters type activities from London, such as either US or Asian banks;

Links to major intercontinental business cities – these destinations make up much of the air travel demand for either companies with global headquarters in London managing activity at ‘hub’ offices in other world regions or, vice versa, companies with global headquarters in other world regions seeking to manage their UK or European operations in London;

Depth of service – one of the key messages from the consultations in the City’s aviation studies is the need for high frequency of service to the world’s major business destinations. This is essential in enabling highly time sensitive individuals to use their time effectively, giving flexibility to allow peoples’ plans to change at short notice and in providing resilience where flights are missed;

Concentration of service – this links to the depth of service issue. Companies have expressed a preference for air services to be concentrated at a single airport so that the flexibility and resilience offered by high levels of frequency can be genuinely utilised;

Direct connections – having to change planes to reach a destination is unpopular with users. It wastes time and adds uncertainty to a journey through the potential for missed connections. This reinforces the requirement for the breadth of connectivity;

Proximity to point of departure/arrival – users want air service connectivity that is close to their starting point or destination point. For instance, London City is felt to be excellent for inbound travel to London or for trips that start or end at the office as it is so geographically close to the City and Canary Wharf. However, it is substantially less good for outbound trips starting from home, which many day trips in particular do, as the employees of many City firms primarily live in West London. Heathrow is still by far the best option for most trips from home given the current pattern of residential locations;

Ease of Access – delivery of effective air services starts well before the user actually reaches the airport. Surface access is very important. Users want speed and certainty. From this perspective the Heathrow Express and DLR service to London City are increasingly popular;

Punctuality – Heathrow, in particular, has become notorious for delays. The lack of capacity and hence resilience means that average delays are felt to be substantially higher than at other airports. CAA Delay Statistics to some extent bear this out but there has been improvement in the last couple of years. The City user is, as described above, highly time sensitive. Delays have a significant impact on productivity and on London's reputation as a place to do business. This is particularly an issue for short haul connections where delays can be a significant proportion of overall trip time;

Efficient Transit through the Airport – security is highly valued and users generally would rather have more than less if this enhances safety. However, overall efficiency in passenger transit through the airport is important in minimising dead time;

Availability of Premium Class Travel – City companies are significant purchasers of premium class air travel, particularly for medium and long haul travel. Getting staff to their destinations in a good state to work and be productive is vitally important and premium class services are very important to this goal.

- Do you agree with the assessment we have made of the UK's current aviation connectivity?

The assessment of the UK's current connectivity is largely consistent with the research undertaken by the City Corporation: "London's air connectivity: the importance to London of having world class aviation hubbing capacity", York Aviation, published by the City of London Corporation, December 2012. "London's air connectivity: emerging and growth markets", York Aviation, published by the City of London Corporation, December 2012.

- What factors do you think contribute to the fact that the UK is directly better connected to some regions of the world than others?

London's air service connectivity mirrors where the UK has traditionally done business, hence it has good connections to established business centres in the US, Europe, Japan and the Commonwealth countries. Levels of connectivity to emerging markets are relatively low and, with the exception of India, London has poorer connections to the BRICS countries than its European competitors. The ability of UK carriers to extend the range of destinations served is heavily dependent upon the attraction of transfer-traffic through the Heathrow hub. Thus the capacity at Heathrow to accommodate additional routes is of critical importance in this context.

- Given connectivity trends in the UK versus other European countries, how much scope is there for route network available to UK residents to radically change over the coming years?

Without an increase in hub capacity there is likely to be further erosion of the network as long-haul routes, which are higher yielding, replace domestic and short-haul services at Heathrow. There will also be a tendency towards frequency increases on existing high volume routes at the expense of new services to emerging markets. Without an increase in capacity there is little prospect of any significant improvement in 'quality of service' issues such as delays which are particularly important to business travellers.

- To what extent do you consider indirect connectivity to be an important part of presenting an accurate picture of the UK's nature of connectivity?

Direct connections are the critical component of connectivity as measured by the Business Connectivity Index (BCI). However, indirect connections through other hub airports, such as Chinese cities via Hong Kong, have a part to play for those routes currently lacking sufficient demand for direct services. Indirect services can also bolster effective frequency on routes that can only justify a limited number of direct services.

5.5 Questions relating to the assessment of how aviation connectivity supports (1) trade in goods, (2) trade in services, (3) tourism, (4) business investment and innovation, and (5) productivity:

- To what extent do you agree with evidence that aviation connectivity supports the UK's economic growth through facilitating each of (1)-(5)?

The City Corporation strongly agrees that aviation connectivity supports the City of London's and the UK's economy:

Production process - 40% of the UK's exports go by air; shipments to Europe and Asia have increased, on average, by 10% annually, reflecting importance of aviation to trade with high-growth markets.¹⁴ Oxford Economics found 80% of firms reported air services as important for production efficiency.¹⁵

Trade and investment - The Civil Aviation Authority found a strong coefficient of correlation (0.87) between the countries businesspeople travel to or from, and the UK's success in trading with them.¹⁶ The UK's previous success in attracting foreign direct investment could be compromised by declining levels of air connectivity; 51%

¹⁴ "An Integrated Policy Framework for UK Aviation: 4 Connecting the Economy for Jobs and Growth", AOA, October 2012

¹⁵ "Airline Network Benefits: IATA Economics Briefing No. 3", Oxford Economic Forecasting, commissioned by IATA, July 2006.

¹⁶ "Flying on Business: A Study of the UK Business Travel Market", CAA, 2010

of companies said international transport links were an important factor in location decisions and 8% of companies reported quality of air transport links had been material in a decision not to invest in the UK.¹⁷

The tourism industry - *Aviation also drives growth in tourism, the UK's sixth largest industry, contributing £115bn or 8% of UK GDP in 2009. 72% of inbound visitors arrive by air.¹⁸*

UK businesses trade 20 times as much with emerging market countries with a direct daily flight to the UK, and the lack of direct flights to emerging markets may be costing £1.2bn annually as trade goes to competing centres; this loss could reach £14bn in the next ten years.¹⁹

The high growth markets also provide potential for growth in new tourist markets, particularly India and China.

Aviation traffic projections necessitate making the best use of existing airports and the development of terminals, runways and other infrastructure.

Government abolition of the regional layer could create obstacles to aviation development as divergences exist between costs and benefits at a local versus regional or national level.

The cost of inaction is high; capping flights at 3% below current levels or failure to develop airports will cost the economy up to 210,000 jobs/£8.9bn or 112,000 jobs/£5bn by 2030 respectively.

Direct international air connections are crucial for the economy; 63% of IoD members consider them important to their business over the next decade and emerging markets are projected to comprise 70% of global GDP by 2050.²⁰

Lack of a positive aviation strategy, particularly in relation to necessary runway expansion, high airport taxes and unwelcoming visa and border systems, have left the UK unable to exploit economic opportunities aviation presents.

- How effective do you consider that the aviation connectivity of the UK may facilitate economic growth now and in the future? What risks and opportunities does it present?

Consensus among economic forecasters suggests emerging market economies will play an increasingly important role in the world economy and trade.

¹⁷ “An Integrated Policy Framework for UK Aviation: 4 Connecting the Economy for Jobs and Growth”, AOA, October 2012

¹⁸ “An Integrated Policy Framework for UK Aviation: 4 Connecting the Economy for Jobs and Growth”, AOA, October 2012

¹⁹ “Connecting for growth: the role of Britain’s hub airport in economic recovery” Frontier Economics, prepared for Heathrow, September 2011

²⁰ “Flying into the Future”, IOD, December 2012

Goldman Sachs projects that BRICS countries and Mexico, Korea, Turkey and Indonesia will triple their share of world GDP by 2050 to 46%, while existing developed countries' share falls from 78% to 31%.

The IMF predicts over the next decade half of all economic growth will be in the eight largest emerging market countries; the BRICs, Mexico, Korea, Turkey and Indonesia²¹. The World Bank forecasts Brazil, Russia, India, China, South Korea and Indonesia will account for half of all growth by 2025²².

China's GDP is forecast to grow threefold by 2030, overtaking US GDP before 2025²³.

GDP and international trade are the major drivers of demand for travel²⁴; therefore as these high growth markets develop and patterns of international trade change in line with expectations, demand for air travel to Asia, Latin America and other emerging centres will increase.

Of these high growth markets, the UK lacks connectivity with Brazil, China, Indonesia and Mexico, and does tend to have a lower market share in more geographically distant markets²⁵, so improving air connectivity to these markets could promote trade flows.

	<i>Brazil</i>	<i>China</i>	<i>Indonesia</i>	<i>Mexico</i>
<i>UK's share of exports (09)</i>	<i>1.8%</i>	<i>0.9%</i>	<i>0.7%</i>	<i>0.6%</i>

In terms of opportunities for City firms in financial and business services, high-growth economies present significant opportunities for expansion. Financial, legal and other professional services will be demanded by internationalising firms.

23% of the UK's 2009 services exports to Mexico were in financial services and 17% in other business services²⁶, and the UK has a comparative advantage in service provision in Mexico, especially financial services.

Indonesia's under-developed financial system, coupled with the need to boost capital raising and investment, suggests Indonesia could embark on a period of rapid catch-up in all areas of financial services; offering opportunities for City-based firms²⁷.

²¹ "World Economic Outlook – Slowing Growth, Rising Risks", IMF, September 2011

²² "Global Development Horizons 2011: Multipolarity – The new global economy", World Bank, May 2011

²³ "Strategic Infrastructure Needs to 2030, International Futures Programme", OECD, June 2011.

²⁴ "International Air Passenger Transport in the Future", OECD/International Transport Forum, December 2009

²⁵ "UK trade performance across markets and sectors", Department for Business, Innovation and Skills, February 2012

²⁶ "UK trade performance across markets and sectors", Department for Business, Innovation and Skills, February 2012

²⁷ "The Challenges and Opportunities for Financial Services in Indonesia", Chatham House, published by the City of London Corporation, July 2010

*London currently has good connections to Russia, India and Turkey, however in order to ensure UK business remains internationally competitive and London retains its role as Europe's business gateway, improvement in London's connectivity to other emerging economies, particularly Brazil, China, Indonesia and Mexico, is essential.*²⁸

5.6 Questions relating to what the UK's objectives for the future aviation should be:

- What is the best approach to measuring the UK's aviation connectivity?

The City Corporation has found that measuring the value to business of an airport's destinations can be a helpful approach which provides a relative assessment of an airport's business focussed connectivity compared to other airports at different points in time.

- What kinds of impact do you consider capacity constraints to have on the frequency and number of destinations served by the UK? And, if any, are any particular kinds of routes or destinations likely to be more affected than others?

Current capacity constraints are a substantial concern looking forward. It should be noted that most business consultees do not see increasing the size of London's airports as a key end in itself but they do want them to be 'better'. They want a level of connectivity that will enable them to compete effectively in world markets and they want high levels of service quality. It is in many ways difficult to see how these things can be secured in the long term without some expansion of capacity.

The current market dynamic at Heathrow is damaging the short haul network, which is bad for companies with major European operations serviced or managed from London or potential new investors looking for a European base, is potentially damaging to second tier intercontinental business destinations, which are often key markets for specialist services and products based in London, and is bad for coverage of emerging business centres, which may be fruitful markets for the future for companies currently based in London and will limit likely inward investment from these countries.

London and the South East's overall air connectivity has improved since 2005, however with the exception of India and China, London is at a disadvantage in terms of connectivity to the BRICS, particularly with Latin America, compared to competing hubs. In terms of connectivity to specific emerging countries versus other European hubs and Dubai:

- *London provides an equivalent or superior service than competing hubs to most European and some Far Eastern destinations (with the exception of Dubai on the latter).*
- *London lacks connectivity to China; when flights to Hong Kong are discounted the South East of the UK ranks poorly compared to competing hubs. This is important as other Chinese cities may become more economically significant*

²⁸ "London's Air Connectivity: Emerging and Growth Markets", York Aviation, published by the City of London Corporation, December 2012

destinations over time, and demand for business travel will increase accordingly.

- London lacks connectivity to much of Latin America, in particular Brazil, Mexico, Chile, Colombia and Peru.*
 - London lacks connectivity to South Asia, in particular Indonesia and the Philippines.*
 - While overall London remains well linked to key emerging business centres, London is currently at a disadvantage in terms of connections to Central and Latin America. Rapidly expanding Middle East hubs, in particular Dubai, will also challenge London’s position especially towards non-European destinations such as India (Pune in particular), Malaysia, Pakistan and Thailand.*
- To what extent do you consider that the need for additional connectivity may support the argument that additional capacity may be required?

Hubbing is key to securing a wider route network, and additional hub capacity is essential to sustaining connectivity to both emerging and established business centres:

- Routes to high growth markets, such as India or Latin America, are dependent on hub feeder traffic to sustain current service frequencies.*
- Routes to established business centres also benefit from hub capacity through the provision of connecting traffic underpinning route viability to new and emerging markets.*
- Alliances also play a role in connecting traffic to a hub; to the extent that services need to be supported by a hub feed at both ends of the route, a foreign airline may favour service to an alliance hub.*
- The presence of a hub is critical to the development of new routes and services; allowing more routes to be served at a higher frequency than would be the case without.*
- 28 million airport passengers used London airports to transfer between flights in 2011 and according to the Business Connectivity Index (BCI) London is currently the best connected city for business in Europe. However London’s position is being challenged by rapidly expanding Middle Eastern hubs, particularly Dubai, offering better connectivity to non-European destinations.*
- The additional routes and services provided as a result of hubbing capacity connect London to emerging high growth markets, provide UK businesses with a wider range of opportunities for trade and investment, and facilitate inward investment in the UK.*
- Access to aviation services is a vital requirement for businesses across the UK, with 73% considering it critical or very important for their operations²⁹.*

²⁹ “The Use of Aviation Services in the City of London and the Central London Business District and the Implications for Future Aviation Policy”, Oxford Economic Forecasting, published by the City of London Corporation, December 2002.

- *The ability to attract transfer passengers will remain crucial to developing and maintaining aviation capacity to new high growth markets. The rapid growth of competing hubs illustrates the importance of expanding the capacity of our own aviation infrastructure, to maintain London’s international competitiveness and retain the economic benefits hubbing capacity brings to the UK.*

Agenda Item 9

Committee: Public Relations/Economic Development Sub	Date: 2 May 2013
Subject: City of London Corporation 2013 Party Conference Activity	Public
Report of: Director of Public Relations	For decision
<u>Summary</u>	
<p>This report sets out the background to the City of London Corporation's activity at the annual political party conferences and gives a summary of current plans for the 2013 Liberal Democrat Conference in Glasgow, the 2013 Labour Conference in Brighton and the 2013 Conservative Conference in Manchester. The report additionally considers Member attendance, officer attendance and the budget.</p>	
<u>Recommendations</u>	
<p>Members are recommended:</p> <ol style="list-style-type: none">1. to note the overall plans for the 2013 conferences;2. to agree arrangements for Member attendance at the conferences; and3. to agree that a request for an additional £12,000 funding for the 2013 conference programme should be submitted to the June meeting of the Policy and Resources Committee.	

Background and history

1. The UK political party conferences date back to the beginning of the twentieth century. Originally they took place in London but then moved to provincial seaside resorts and recently to major urban centres. The conferences originally played a role in policy formulation but this function has declined significantly. The conferences now exist predominantly to provide platforms for leading politicians from the respective parties and as a money-making exercise. There has been mounting criticism that the conferences have become substantially events for representatives of corporate, non-profit, charitable and other outside organisations and no longer primarily for ordinary party members.
2. The City of London Corporation began attending the major party conferences in 1994, initially with small, private dinners and then also with fringe meetings from 1997. This formula has continued over recent years with a fringe meeting on the Monday evening followed by a private dinner, which is attended by representatives of the Policy and Resources

Committee and appropriate officers. The party conferences are a particularly useful part of the City Corporation's political contact programme as the majority of its key contacts are found in the same place at the same time. In addition, if the City Corporation were not to attend, then other organisations would be keen to fill the void.

2013 Conferences

3. This year's Party Conferences run across three weeks from the middle of September through to the beginning of October. The Liberal Democrat Conference is taking place in Glasgow between Saturday 14th and Wednesday 18th September. The Labour Party Conference is taking place in Brighton between Sunday 22nd and Wednesday 25th September. The Conservative Party Conference is taking place in Manchester between Sunday 29th September and Wednesday 2nd October.

Liberal Democrat Conference, Glasgow

4. The current plans for Liberal Democrat Conference in Glasgow are as follows –
 - Monday 16th September pm – Members travel to Glasgow
 - Monday 16th September 1800 -1915 – Fringe meeting in partnership with the key liberal think tank, CentreForum. This meeting will take place in the Boisdale room in the Scottish Exhibition & Conference Centre. N.B. This is inside the secure area, due to limited, suitable fringe space availability and therefore Members and officers will need to have Conference passes.
 - Monday 16th September 2000-2200 – Private dinner at the Hotel du Vin.
 - Tuesday 17th September am – Members return to London.

Labour Conference, Brighton

5. The current plans for Labour Conference in Brighton are as follows –
 - Monday 23rd September pm – Members travel to Brighton by train
 - Monday 23rd September 1800-1915 – Fringe meeting in partnership with the New Statesman. (2013 is the 100th anniversary of the founding of the New Statesman so we expect them to have a high profile at the Labour Conference). Venue to be confirmed.
 - Monday 23rd September 2000-2200 – Private dinner at Hotel du Vin in partnership with the key think tank, the Social Market Foundation. The dinner discussion will focus on NEETs and youth unemployment.
 - Monday 23rd September 2230 – Members return to London in City of London cars.

Conservative Conference, Manchester

6. The current plans for Conservative Conference in Manchester are as follows –
- Monday 30th September pm – Members travel to Manchester by train.
 - Monday 30th September 1800-1915 – Fringe meeting in partnership with the key centre-right think tank, the Centre for Policy Studies in the Reception Room at Manchester Town Hall.
 - Monday 30th September 2000-2200 – Private dinner at Manchester Art Gallery.
 - Tuesday 1st October am – Members return to London by train.

Member attendance

7. In previous years, attendance at Party Conferences was open to Members of the former Public Relations Sub-Committee. The need is for a suitable number of Members to act as representatives and hosts, but this is balanced by the continuing desire to reduce costs and ensure that the party conference expenditure is as efficient as possible. Experience suggests that the optimum Member attendance at each Party Conference would be four. Given the planned election of the three Deputy Chairmen, a mechanism that could be used would be the Chairman, two of the three Deputy Chairmen and one additional Member of the new PR/ED Sub-Committee attending each of the conferences with some variations, as necessary and desirable, in the different individual attendees at each conference. The Sub-Committee is asked to consider this approach. As in previous years, Members attending party conferences in other capacities would also be welcome to attend the dinners

Officer attendance

8. Considerable efforts continue to minimise the costs of officer attendance. At present three officers from the Public Relations Office attend each of the party conferences. Given the schedule for the Monday evening at Conference, this is the minimum required to administer the current activities and any reduction in officer attendance would impact on the ability to ensure a smooth programme of events. In addition, one officer from the Remembrancer's Office attends to monitor the Conference proceedings overall, including the fringe events, and produce an associated report. The Town Clerk and the Remembrancer also usually attend two or three of the conferences.

Budget

9. Continuing efforts are being made to ensure party conference expenditure is as efficient as possible, while maintaining a high quality programme of activity. In 2013 (as in 2012), the City Corporation is a partner with leading think tanks or relevant publications to help deliver a successful programme of activities. This currently requires payment of fees to the think tanks or publications. In 2012, the Policy and Resources Committee agreed to provide additional funds to cover these costs. It will also be necessary this year to seek an additional £12,000 to cover the expected fees for the four think tanks and publications with which we will be working in 2013 and it is planned, subject to the Sub-Committee's approval, to submit a report seeking these funds to the June meeting of the Committee.

Conclusion

10. Members are asked to note the plans for the 2013 party conferences and to agree the recommendations concerning Member attendance and additional funding.

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