



Public Relations and Economic Development Sub-Committee

Date: THURSDAY, 8 MAY 2014

Time: 3.15pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Mark Boleat (Chairman)
Deputy Michael Cassidy
Roger Chadwick
Stuart Fraser
Sir Michael Snyder
(3 Deputy Chairmen appointed by the Grand Committee this day)
(5 vacancies to be filled by the Grand Committee this day)
(Up to 4 Members Co-opted by the Sub-Committee from the Court)

Enquiries: Angela Roach
tel. no.: 020 7332 3685
angela.roach@cityoflondon.gov.uk

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 THE 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 and summary of the meeting held on 20 February 2014.

For Decision
(Pages 1 - 6)
6. **2014 PARTY CONFERENCE ACTIVITY**
Report of the Director of Public Relations.

For Decision
(Pages 7 - 10)
7. **THINK TANKS ACTIVITIES 2010-2014**
Report of the Director of Public Relations.

For Information
(Pages 11 - 22)
8. **BRUSSELS ANNUAL RECEPTION**
Report of the Director of Economic Development.

For Decision
(Pages 23 - 24)
9. **INTERNATIONAL REGULATORY STRATEGY GROUP ACTIVITIES UPDATE**
Report of the Director of Economic Development

For Information
(Pages 25 - 30)

10. **PRE-PRESIDENCY VISIT TO ITALY**
Report of the Director Economic Development.

For Information
(Pages 31 - 38)

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

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

13. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

14. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 20 February 2014.

For Decision
(Pages 39 - 40)

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

Agenda Item 5

PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB-COMMITTEE

Thursday, 20 February 2014

Minutes of the meeting of the Public Relations and Economic Development Sub-Committee held at the Guildhall EC2 at 11.00am

Present

Members:

Mark Boleat (Chairman)	Oliver Lodge
Deputy Catherine McGuinness (Deputy Chairman)	Edward Lord
Deputy Douglas Barrow	Jeremy Mayhew
Roger Chadwick	Ian Seaton
Wendy Hyde	Sir Michael Snyder

Officers:

Simon Murrells	- Assistant Town Clerk
Gemma Stokley	- Town Clerk's Department
Nigel Lefton	- Remembrancer's Department
Philip Saunders	- Remembrancer's Department
Tony Halmos	- Director of Public Relations
Greg Williams	- Assistant Director of PR: Media
Adam Maddock	- Assistant Director of PR: Corporate Affairs
Sheldon Hind	- Head of Publishing, PRO
Paul Sizeland	- Director of Economic Development
Giles French	- Assistant Director of Economic Development
Isabelle Almeida	- Marketing and Communications Manager (EDO)

1. APOLOGIES

Apologies for absence were received from Deputy Michael Cassidy, Deputy Alex Deane, Sophie Fernandes, Stuart Fraser, James Tumbridge and Alderman Alan Yarrow.

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

There were no declarations.

3. MINUTES

The minutes of the meeting held on 21 November 2013 were considered and approved as a correct record.

The Sub Committee noted comments made by Mr Tumbridge via email on the minutes.

The Director of Economic Development informed Members that copies of the aviation strategy were available in hard copy at today's meeting.

4. **CITY OF LONDON COMMUNICATIONS STRATEGY 2014 - 2017**

The Sub Committee considered a report of the Director of Public Relations concerning the draft Communications Strategy for 2014-17.

A Member commented that she was surprised to see that the Strategy did not make reference to the Scottish referendum due to take place this Autumn, given the amount of discussion that this had created amongst the financial sector.

The Sub Committee was informed that the 'TheCityUK' was taking a pro-active lead on this matter and it was felt that it was the appropriate body for this. Members were keen for the City Corporation to help facilitate debate on this matter and to offer support where possible.

The Director of Public Relations undertook to include reference to this matter within the Communications Strategy.

A Member suggested that it would be helpful to see any changes to the Strategy from one year to the next clearly highlighted for ease of reference. The Director undertook to ensure that this was the case with future versions of the Strategy.

Finally, the Chairman stated that, in addition to encouraging the appointment of voters from City businesses, ensuring that they were as representative as possible was a key issue going forward.

RESOLVED – That, Members approve the Communications Strategy 2014-17, subject to the comments noted above, and recommend it for approval to the Policy and Resources Committee.

5. **PUBLIC RELATIONS OFFICE BUSINESS PLAN, 2014 - 2017**

The Sub Committee considered a report of the Director of Public Relations setting out the Public Relations Office Business Plan for 2014-17.

The Chairman highlighted that the primary purpose of Departmental Plans was to help focus staff on certain key issues and objectives going forward. In future, it was suggested that shorter summaries of the Plan be presented to the Sub Committee with the full plan appended to this.

In response to questions regarding efforts to encourage City businesses to register for votes, the Director of Public Relations listed the numerous in-house activities that take place and the resources that were dedicated to this exercise annually. Members suggested that it would also be helpful to include them in specific discussions concerning businesses within their Wards. It was suggested that short briefings could be offered to every Ward going forward to highlight any omissions and how best Members might assist the Public Relations Office in addressing these and establishing key contacts.

RESOLVED – That, Members approve the contents of the Public Relations Office Business Plan, 2014-17 and recommend it for approval to the Policy and Resources Committee.

6. ECONOMIC DEVELOPMENT OFFICE BUSINESS PLAN 2014-17

The Sub Committee considered a report of the Director of Economic Development setting out the Economic Development Office Business Plan for 2014-17.

The Director of Economic Development highlighted that Appendix E of his report entitled 'Summary Plan' would feature more prominently in the report submitted to the Grand Committee for approval next month.

A Member suggested that he felt that the City Corporation should take the lead on a programme to construct a package of EU reform for City businesses given that this was something that the industry was calling for and that voters were concerned about according to recent TheCityUK surveys.

The Chairman commented that TheCityUK was already engaging with City Institutions on this matter with City Corporation Officers also heavily involved.

Members were of the view that, whilst there would clearly be no value in the City Corporation duplicating the work of the TheCityUK in this area, the two should combine efforts and work to highlight the issue as much as possible. The Sub Committee underlined the importance of creating a unifying message with the City Corporation participating at appropriate moments whilst also supporting and encouraging the work of the TheCityUK. The Director of Economic Development undertook to reflect this within his Business Plan.

RESOLVED – That, the Public Relations and Economic Development Sub Committee approve the content, and recommend approval by the Policy and Resources Committee, of the Economic Development Office Business Plan for 2014-17 and the associated budget, which will be the subject of regular scrutiny against the backdrop of the City Corporation's financial position.

7. CITY OFFICE BRUSSELS ANNUAL RECEPTION

The Sub Committee considered a report of the Director of Economic Development providing Members with the history and purpose of the City of London Corporation's annual reception in Brussels. The report explains how the reception is organised and makes recommendations for future Member participation.

A Member commented that he felt that a reception of 200 with only 2 Members as host representatives seemed too few.

The Chairman commented that he found it difficult to justify the costs associated with sending additional attendees to the reception which lasted for just 90 minutes. A Member commented that the event continued to be a great success but revolved largely around the Chairman with limited time available

for networking. He stated that it was not an event at which additional Member presence would be particularly useful.

The Sub Committee were of the view that up to three additional Members with relevant experience (including the Member who sits on the IRSG Council as an observer) should be able to accompany the Chairman at future receptions.

It was agreed Members attending the reception would receive the same briefing note as the Chairman, but they would not require additional Officer support.

RESOLVED – That, Members:

- note the content of the report; and
- agree that Member representation at the annual Brussels reception is by the Chairman of the Policy & Resources Committee, the Member who sits on the IRSG Council as an observer and up to two other Members with relevant experience.

8. **DEVELOPMENT OF THE CITY OF LONDON CORPORATION'S ENGAGEMENT WITH EU INSTITUTIONS, DEVELOPMENT OF POLICY ON EU REGULATORY ISSUES, AND THE ROLE OF THE INTERNATIONAL REGULATORY STRATEGY GROUP (IRSG)**

The Sub Committee received a report of the Director of Economic Development charting the development of the City of London's relationship with the EU, and how the City of London Corporation is contributing today to the policy dialogue. It also explains the development and role of the International Regulatory Strategy Group (IRSG).

A Member commented that, whilst he welcomed the recommendation of the report that these matters would be a standing item on the Sub Committee's agenda in future, he nevertheless thought that Member involvement in the work of the EDO was insufficient. The Member referred to two decisions in the last year that he believed should have been referred to Members of the Sub-Committee: to make a submission as the City of London Corporation to the Home Office's consultation on the Balance of Competences Review on the Free Movement of People in the EU, and to make a submission to the HM Treasury's Balance of Competences consultation on Financial Services and Capital Markets, as the IRSG (which was circulated as an annex to the report).

The Director of Economic Development said he would welcome any Member feedback on the IRSG submission to the Balance of Competences Review

Other Members sympathised with this view and accepted that, whilst the Chairman and Officers need flexibility and the ability to form views between meetings, where a response was submitted on behalf of the City Corporation, Member oversight and engagement should be increased.

Members commented that it would be useful to see certain documents in draft before these were finalised.

Whilst it was recognised that it would not be practicable for the Sub-Committee to receive drafts of all policy papers, or to have final 'sign off', it was agreed that Members should have the opportunity to input into these relevant papers at an appropriate stage and that drafts of papers be circulated between Sub Committee meetings where more urgent timeframes applied.

It was also noted that the Sub-Committee would not seek 'sign off' on policy papers produced on behalf of the IRSG practitioner group, who act in an advisory capacity to the City Corporation (and to TheCityUK).

A Member suggested a schedule could be tabled at Sub-Committee meetings, documenting recent IRSG work and proposed future activity, to provide an opportunity for Member input.

The Chairman stated that, prior to the expansion in 2013 of the PR Sub Committee to include Economic Development, Member involvement in these type of matters had been minimal. He added that the Corporation's response to Government on immigration contained no 'new' views that Members had not already been made aware of.

RESOLVED: That:

- the Committee supports the current arrangements for consideration of regulatory policy matters primarily through the International Regulatory Strategy Group (IRSG); and
- agree that these matters will, in addition, be a standing item on the PR/ED Sub Committee agenda on the basis described above.

9. **UPDATE ON THE FINANCIAL SERVICES (BANKING REFORM) ACT**

The Sub Committee received a report of the Remembrancer providing an overview of the combined effects of the legislation.

RESOLVED – That, the report of the Remembrancer be received.

10. **LORD MAYOR'S SHOW FIREWORKS**

The Director of Public Relations was heard relative to the Lord Mayor's Show Fireworks.

Members were informed that this would be the subject of a full report to the Policy and Resources Committee in March 2014. The Director of Public Relations reminded the Sub Committee that it had been agreed, in June 2013, that the Fireworks display would take place for the next two years.

Members were informed that an increase in budget from the originally anticipated £93,000 to £115,000 would be required in 2014 – a sum which was still below that of 2013. The Director of Public Relations went on to state that Officers would also be seeking to appoint the same contractor as in 2013 without the need for competitive tender. From 2014 onwards, consideration would need to be given as to whether or not the Lord Mayor's Show Fireworks should continue.

RESOLVED – That, the Sub Committee recommend to the Policy and Resources Committee that:

- the Lord Mayor’s Show Fireworks for 2014 at a sum of £115,000; and
- the same contractor is appointed for a second year without entering into competitive tender.

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

A Member questioned if more could be done to take advantage of the City Corporation’s relationship with the TheCityUK and if more Member involvement could be encouraged at some of the larger TheCityUK events that were scheduled to take place.

The Director of Economic Development stated that EDO worked to actively promote these type of events amongst Members, particularly Members of this Sub Committee and added that increased Member participation would be very welcome going forward.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Sub Committee agreed to consider one item in the non-public session.

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act. In addition, for one item which fell under paragraph 100A (2) of the Act relating to confidential information that would be disclosed in breach of an obligation of confidence:-

<u>Item Nos.</u>	<u>Exemption Paragraph(s)</u>
12	1

The meeting closed at 12.00pm

Chairman

Contact Officer: Gemma Stokley
tel. no.: 020 7332 1427
gemma.stokley@cityoflondon.gov.uk

Agenda Item 6

Committee: Public Relations and Economic Development Sub-Committee	Date: 8 May 2014
Subject: City of London Corporation 2014 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 the proposed programme of activities in 2014 for the Labour Conference in Manchester, the Conservative Conference in Birmingham and the Liberal Democrat Conference in Glasgow. The report additionally considers dinner invitation lists, Member attendance, Officer attendance, and the additional funding required to deliver this programme of activities.</p>	
<u>Recommendations</u>	
<p>Members are recommended to:</p> <ol style="list-style-type: none">i. note the overall programme for the 2014 conferences;ii. agree arrangements for Member attendance at the conferences; andiii. agree that a request for an additional £15,000 of funding for the 2014 conference programme should be submitted to the June meeting of the Policy and Resources Committee.	

Background

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 and as a money-making exercise for the respective parties.
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 relevant 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;

the conferences also allow the City Corporation to maintain its presence in a number of strategically significant policy debates. The 2014 conferences are particularly important as they are the final ones before the UK General Election, which will be held in May 2015.

2014 Conferences

3. This year's Party Conferences run across three weeks from the end of September through to the beginning of October: the Labour Party Conference is taking place in Manchester, 21-24 September; the Conservative Party Conference is taking place in Birmingham, 28 September-1 October, and; the Liberal Democrat Conference is taking place in Glasgow, 4-8 October. Unusually, the Liberal Democrat Conference is taking place last because it was moved to avoid a clash with the Scottish Referendum.
4. The current programme of activity at the respective party conferences is as follows:

<u>Labour Conference, Manchester</u>		
Monday 22 September	PM	Members travel to Manchester by train.
	18:00- 19:15	Fringe meeting in partnership with the New Local Government Network in the Reception Room at Manchester Town Hall.
	20:00- 22:00	Private dinner at the Manchester Art Gallery in partnership with the key think tank, the Social Market Foundation. The dinner discussion will focus on future challenges for London.
Tuesday 23 September	AM	Members return to London by train.
<u>Conservative Conference, Birmingham</u>		
Monday 29 September	PM	Members travel to Birmingham by train
	18:00- 19:15	Fringe meeting in partnership with the key centre-right think tank, the Institute of Economic Affairs at the Jury's Inn Hotel.

Tuesday 30 September	20:00- 22:00 22:30 AM	Private dinner at Birmingham Town Hall. Option for Members to return to London by City of London car. Any remaining Members return to London by train.
<u>Liberal Democrat Conference, Glasgow</u>		
Monday 6 October	PM 18:00- 19:15 20:00- 22:00	Members travel to Glasgow. Fringe meeting in partnership with the key liberal think tank CentreForum. This meeting will take place in the Scottish Exhibition & Conference Centre. (N.B. owing to limited, suitable fringe space in Glasgow, this event will take place in the Secure Area – Members and Officers will need to have conference passes in order to attend.) Private dinner at the Hotel du Vin.
Tuesday 7 October	AM	Members return to London.

5. The invitation lists for external guests at the City Corporation’s party conference dinners are drawn from various political audiences relevant to the City of London, including Government ministers; Opposition front bench spokespersons; Parliamentarians on relevant select committees; London MPs; London MEPs; MEPs on ECON Committee; London Assembly Members; representatives from the Mayor of London’s Office; London Borough Leaders and Borough Group Leaders; parliamentary candidates for London constituencies; parliamentary candidates with an interest in financial services; government advisers and party staffers, and; representatives from relevant think tanks. The details of the named individuals in each of these categories which it is proposed to invite are available to any Member of the Sub-Committee that requests them.

Attendance

6. Members play a pivotal role as representatives and hosts at the City Corporation’s party conference activities, though this is balanced by the continuing desire that expenditure on activities is as cost-effective as

possible. In 2013 attendance was open to all Members of the PR-ED Sub-Committee, while, as in previous years, other Members attending party conferences in other capacities were also welcome to attend the dinners. The Sub-Committee is asked to agree the same arrangements for Members to attend the 2014 conferences.

7. Considerable effort continues to be made to minimise the number of officers attending the party conferences on behalf of the City Corporation. At present, three officers from the PR Office attend each of the party conferences; any reduction in the number of officers attending would have a significant impact on the City Corporation's ability to deliver its programme of activities. In addition, one Officer from the Remembrancer's Office attends in order to monitor the Conference proceedings overall, including the fringe events. The Town Clerk and Remembrancer typically attend at least two of the conferences.

Additional Funding

8. Efforts continue to be made to ensure that expenditure on party conference activities is as efficient as possible, while maintaining a high quality programme of activity. In 2014 (as in 2012 and 2013), the City Corporation is partnering with leading think-tanks to help deliver a successful programme of activities; this requires a payment of fees to the think-tanks in question. In 2012 and 2013, the Policy and Resources Committee agreed to provide additional funds to cover these costs. It will again be necessary in 2014 to seek an additional £15,000 to cover the expected fees for the four think tanks with which the City Corporation proposes to work; subject to the Sub-Committee's approval, it is proposed that a report be submitted to Policy and Resources Committee in June 2014 to seek these funds.

Conclusion

9. Members are asked to note the plans for the 2014 party conferences and to agree the recommendations concerning the attendance of Members and additional funding for the proposed programme of activities.

Contact

Tony Halmos

Director of Public Relations

020 7332 1450

tony.halmos@cityoflondon.gov.uk

Committee: Public Relations and Economic Development Sub-Committee	Date: 8 May 2014
Subject: City of London Corporation Activities with Think Tanks, 2010-2014	Public
Report of: Director of Public Relations	For information
<u>Summary</u>	
<p>This report provides an updated list of the City of London Corporation's activities, 2010-14, with a range of think tanks from across the mainstream political spectrum. These activities form an integral part of the City Corporation's <i>Communications Strategy 2014-17</i> and wider economic development priorities.</p>	
<u>Recommendation</u>	
<p>Members are recommended to note the overall activities with think-tanks.</p>	

Main Report

1. The City of London Corporation's activities with a range of think tanks from across the mainstream political spectrum is an integral part of the *City of London Communications Strategy 2014-17* and wider economic development priorities. The think tanks' close relationship with and intrinsic knowledge of the political world allows the City Corporation to engage with senior policymakers, on relevant issues, through a variety of means, including public conferences, set-piece speeches and seminars, topical research projects, and occasional private dinners. All necessary efforts are made by officers to ensure that this programme of work is appropriately politically balanced.
2. This report features in an annexe a comprehensive list – arranged alphabetically – of activities undertaken by the City Corporation in partnership with respective think tanks; these activities have either taken place since 1 January, 2010, or are due to take place in the near future.

Contact

Tony Halmos
Director of Public Relations
020 7332 1450
tony.halmos@cityoflondon.gov.uk

Annexe

City of London Corporation Activities with Think Tanks, 2010-2014

<p>Bright Blue</p> <p>An independent think tank and pressure group for liberal conservatism.</p>	<ul style="list-style-type: none"> • Sponsoring a publication, <i>The Moderniser's Manifesto</i>, which includes chapters by Damian Green MP, Liam Fox MP, Matthew D'Ancona, Liz Truss MP and James Cleverly AM (30 April, 2014).
<p>Business for New Europe (BNE)</p> <p>A coalition of business leaders articulating a positive case for reform in Europe, providing a platform for debate on European issues to business leaders and policymakers.</p>	<ul style="list-style-type: none"> • Hosted a seminar on rating agencies (July 2010) • Organised a joint event which discussed Britain's future relationship with Europe, featuring David Miliband MP and Liam Fox MP (February 2013)
<p>Centre for European Reform (CER)</p> <p>A London-based 'pro-European but not uncritical' think tank devoted to improving the quality of the debate on the future of the European Union.</p>	<ul style="list-style-type: none"> • Part-sponsored a major conference, <i>Lessons from the economic crisis</i> (February 2010) • Part-sponsored a conference, <i>The State and the Market after the financial crisis</i> (November 2011) • Part-sponsored a major conference, <i>Europe in an age of Austerity</i> (November 2012) • Part-sponsored a major conference, <i>Europe's Growth Strategy and the World Economy</i> (November 2013)
<p>Centre for London</p> <p>Aims to promote wider understanding of the challenges and opportunities facing London and develop rigorous and radical policy ideas for the capital.</p>	<ul style="list-style-type: none"> • Gave seed funding in 2011, and further core funding in 2012 and 2013 • Hosted a seminar with Prof Ed Glaeser (March 2011) • Co-organised dinners on policy issues affecting London at Labour Party Conference in 2011 and 2012 • Jointly organised a dinner with representatives of the Livery Companies

	<p>to discuss educational and skills opportunities for young people in London (January 2013)</p> <ul style="list-style-type: none"> • Sponsored a research project on housing (2013) • Hosted a seminar and dinner on Global Cities featuring the Cities Minister Greg Clark MP (February 2014) • Proposing sponsorship of research project on East London river crossings (2014-15)
<p>Centre for Policy Studies (CPS)</p> <p>A centre-right, free market think tank whose goal is to promote coherent and practical public policy, to roll back the state, reform public services, support communities, and challenge threats to Britain's independence.</p>	<ul style="list-style-type: none"> • Hosted a major speech by the Chairman of China Investment Corporation's Supervisory Board Jin Liqun (May 2012) • A major event to commemorate the 100th anniversary of the birth of Professor Milton Friedman (July 2012) • Hosted a speech and dinner with Business Minister Michael Fallon MP (February 2013) • Hosted a major speech by Michael Gove MP (May 2013) • Co-organised a fringe meeting at the 2013 Conservative Party Conference, featuring Andrew Tyrie MP, Fraser Nelson and Gerard Lyons. • Hosted the annual Margaret Thatcher lecture featuring the Mayor of London Boris Johnson (November 2013). • Guildhall is hosting a major international CPS conference on liberty (June 2014)
<p>CentreForum</p>	<ul style="list-style-type: none"> • Corporate sponsor since 2010.

<p>An independent, liberal think tank seeking to develop evidence-based policy solutions to problems facing Britain.</p>	<ul style="list-style-type: none"> • Hosted a seminar with Business Secretary Vince Cable MP (July 2010) • Hosted a seminar with Chief Secretary to the Treasury Danny Alexander MP (May 2011) • Organised a dinner for new Liberal Democrat MPs (November 2011) • Hosted a major economic speech by the Deputy Prime Minister Nick Clegg MP (January 2012) • Hosted a major economic speech by Business Secretary Vince Cable (June 2012) • Co-organised a fringe meeting at the 2012 Liberal Democrat Conference featuring Vince Cable MP, Lord Newby and Xavier Rolet. • Hosted a dinner with Education Minister David Laws MP (April 2013) • Co-organised a fringe meeting at the 2013 Liberal Democrat Conference featuring Lord Newby, Neil Sherlock and Martin Kettle. • Hosted a speech on infrastructure by Chief Secretary to the Treasury Danny Alexander MP (November 2013) • Co-organising a fringe meeting at the 2014 Liberal Democrat Conference
<p>Centre for the Study of Financial Innovation (CSFI)</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 1990s • Worked in partnership to create the

<p>A not-for-profit think tank, based in the City of London, which provides a forum for well-informed debate and research about the future of the financial services sector where financial practitioners and close observers of business can share ideas and explore the road ahead, free from competitive constraints.</p>	<p>‘Academic Expert Directory’ – a free-to-use searchable database of academics and experts with City-related specialisms</p>
<p>Chatham House</p> <p>Home of the Royal Institute of International Affairs, Chatham House is an independent international policy institute based in London.</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 2009. • Sponsored a major conference on regulation of international markets (March 2014). • Sponsoring a Chatham House Dinner with the new UK Permanent Representative to the EU Ivan Rogers (May 2014)
<p>Demos</p> <p>An independent British think tank, whose work is driven by the goal of a society populated by free, capable, secure and powerful citizens.</p>	<ul style="list-style-type: none"> • Corporate sponsor since 2010. • Sponsored a major Demos project on financial services reform in 2011. • Hosted a speech on ‘good growth’ by the Cabinet Office Minister Oliver Letwin MP (October 2011) • Organised a seminar with new Labour MPs (December 2011) • Sponsoring a research project on how the labour market affects young Muslims in London (2014-15)
<p>European Policy Forum (EPF)</p> <p>Aims to improve the quality of policy ideas for the UK and the EU; competition and choice and their interaction with other public policy objectives and the public interest overall are at the centre of its work .</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 2006. • Hosted a speech by Monetary Policy Committee member Andrew Sentence (January 2011) • Hosted a seminar on taxation (May 2011) • Hosted a roundtable lunch discussion with the Governor of the Bank of Finland Erkki

	<p>Liikanen (October 2012)</p> <ul style="list-style-type: none"> • Hosted an infrastructure event with Geoffrey Spence (December 2013)
<p>Fabian Society</p> <p>Britain's oldest political think tank; founded in 1884, the Society is at the forefront of political ideas and public policy on the centre-left.</p>	<ul style="list-style-type: none"> • Sponsored a publication examining the policy challenges facing London; this included chapters by Sadiq Khan MP, Tony Travers, Lord Adonis and the Policy Chairman
<p>Foreign Policy Centre (FPC)</p> <p>A UK-based independent progressive foreign affairs think tank.</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 2006. • Part sponsored a conference on financial services in Africa (November 2010) • Hosted a dinner with Business Secretary Vince Cable MP (May 2011) • Hosted a dinner with Shadow Foreign Secretary Douglas Alexander MP (July 2011) • Hosted a major conference on mobile banking (March 2012) • Hosted a dinner with Shadow Chancellor Ed Balls MP (May 2012) • Planning to host a dinner with Culture Secretary Sajid Javid MP (June 2014)
<p>Henry Jackson Society</p> <p>The Henry Jackson Society is a cross-partisan, British-based think tank with a strong British and European commitment towards freedom, liberty, constitutional democracy, human rights and security.</p>	<ul style="list-style-type: none"> • Part sponsored a major research project on capitalism in the 21st Century, <i>Better Markets, Better Values</i> • Hosted a seminar on youth unemployment with then Employment Minister Mark Hoban MP (September 2013) • Hosting a major event on inclusive capitalism featuring former US President Bill Clinton and IMF President Christine Lagarde (May 2014)

<p>Institute for Government (IfG)</p> <p>An independent charity helping to improve effectiveness of government; the IfG works with senior civil servants and politicians from all major parties, providing evidence-based advice which draws upon examples of best practice from around the world.</p>	<ul style="list-style-type: none"> • Organised a seminar on the implications of a hung parliament (March 2010) • Sponsored a series of events examining the relationship between business and government (2013) • Sponsored a series of events examining the relationship between the economy and government (2014)
<p>Institute for Public Policy Research (IPPR)</p> <p>A progressive think-tank, whose aim is to produce rigorous research and innovative policy ideas for a fair, democratic and sustainable world.</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 2008. • Hosted a speech by Nick Clegg MP in March 2010. • City Bridge Trust commissioned an older Londoners research project (2011) • Part-sponsored a major research project on globalisation in 2011. • Hosted a major conference on industrial policy featuring Business Secretary Vince Cable MP (February 2012) • IPPR Director Nick Pearce spoke at a Town Clerk Masterclass (March 2012) • Hosted a dinner on youth unemployment with Shadow Employment Minister Stephen Timms MP (November 2012) • Part-sponsored a research project scoping the possibility of a global emissions trading scheme (2012-13) • Hosted a dinner discussion on youth unemployment with the Shadow Skills Minister Rushanara Ali MP (February 2014) • Proposing to work with IPPR on a series of seminars on emerging markets (2014-15).

<p>Institute of Economic Affairs (IEA)</p> <p>A leading free-market think-tank, whose mission is to improve understanding of the fundamental institutions of a free society by analysing and expounding the role of markets in solving economic and social problems.</p>	<ul style="list-style-type: none"> • Hosted a dinner with the Chancellor’s PPS, Amber Rudd MP (January 2013) • Hosted a dinner with the Fresh Start Group (June 2014) • Organised a dinner on taxation with Exchequer Secretary David Gauke MP (November 2013) • Proposing to co-organise a fringe meeting at 2014 Conservative Party Conference.
<p>Local Government Information Unit (LGIU)</p> <p>A think tank and membership organisation for UK local authorities, whose mission is to strengthen local democracy.</p>	<ul style="list-style-type: none"> • Member since January 2014.
<p>New City Agenda (formerly New City Network)</p> <p>An independent, non-partisan, not-for-profit think tank which develops new thinking to push the boundaries of financial policy, examining how best to strengthen and promote the sustainable value and international primacy of financial services to the benefit of consumers, economy and society.</p>	<ul style="list-style-type: none"> • Given seed funding to help establish this new think tank.
<p>New Direction – the Foundation for European Reform</p> <p>A free market, euro-realist think tank that is associated with the Conservative and Reformers Group in the European Parliament.</p>	<ul style="list-style-type: none"> • Hosted the launch of a major report, <i>Runaway Train</i> (March 2012)
<p>New Economics Foundation (NEF)</p> <p>An independent UK think tank</p>	<ul style="list-style-type: none"> • Hosted a major conference on industrial policy featuring Business Secretary Vince Cable MP (February 2012)

<p>whose aim is to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environment and social issues.</p>	
<p>New Local Government Network (NLGN)</p> <p>An independent think tank and network of local authorities committed to promoting the decentralisation of power, public service reform, enhancing local governance and empowering communities.</p>	<ul style="list-style-type: none"> • Corporate Sponsor since 2003. • Co-organised a dinner on policy issues affecting London at Labour Party Conference in 2010 • Part-sponsored a major project on Capital Finance, including a seminar in the Basinghall Suite (July 2011) • Hosted a conference on Capital Finance (May 2012) • Hosted a conference on local growth (June 2013) • Proposing to co-organise a fringe meeting at 2014 Labour Party Conference.
<p>Open Europe</p> <p>An independent think tank set up by leading UK business figures to contribute positive new thinking to the debate about the future direction of the EU.</p>	<ul style="list-style-type: none"> • Sponsoring a major conference (June 2014)
<p>Policy Exchange</p> <p>A centre-right think tank whose mission is to develop and promote new policy ideas which deliver better public services, a stronger society and a more dynamic economy.</p>	<ul style="list-style-type: none"> • Part-sponsored a major project, <i>At a rate of knots</i>, examining the viability of expansion of public transport on the River Thames (2010) • Part-sponsored a conference on the EU (April 2012) • Organised seminar with Sharon Bowles MEP (November 2012) • Hosting a major conference on the future

	<p>of cities (June 2014)</p> <ul style="list-style-type: none"> • Hosting a major conference on the future of financial and professional services (June 2014)
<p>Policy Network</p> <p>A centre-left think tank and international political network based in London, seeking to promote strategic thinking on progressive solutions to the challenges of the 21st century and the future of social democracy, impacting upon policy debates in the UK, the rest of Europe and the wider world.</p>	<ul style="list-style-type: none"> • Part-sponsored a conference on the future of the EU (February 2011) • Hosted a seminar on the future of the UK and German economies (October 2011) • Part-sponsored a conference on the future of EU economic governance (March 2012) • Co-organised a fringe meeting at the 2012 Labour Party Conference featuring Lord Liddle, Shadow Europe Minister Emma Reynolds MP and ECON Vice Chair Arlene McCarthy MEP. • Hosted a major conference on the EU featuring European Council president Herman van Rompuy and EU Commission vice-president Olli Rehn (February 2013) • Organised a seminar to outline research into EU member state opinions of UK-EU relationship (February 2014)
<p>Politeia</p> <p>A leading free-market think tank, whose aim is to encourage reflection, discussion and debate about the place of the state in the daily lives of men and women across the range of issues which affect them, from employment and tax to education, health and pensions.</p>	<ul style="list-style-type: none"> • Hosted a speech by the Business Secretary Vince Cable MP (January 2013) • Hosted a speech and dinner with the Mayor of London's economic advisor Gerard Lyons (February 2013). • Hosted a seminar with the then Financial Secretary Greg Clark MP (July 2013) • Proposing to host a seminar and dinner with the Minister for Government Policy

	Oliver Letwin MP (July 2014)
<p>Progress</p> <p>A New Labour pressure group which aims to promote a radical and progressive politics for the 21st century.</p>	<ul style="list-style-type: none"> Organised a seminar on education in London featuring the Shadow Education Secretary Tristram Hunt MP (February 2014)
<p>Reform</p> <p>A centre-right think tank promoting new directions for public policy based on the principles of free enterprise, limited government, and individual liberty.</p>	<ul style="list-style-type: none"> Corporate Sponsor since 2008. Part-sponsored a major policy conference, <i>A new business agenda</i> (February 2010) Hosted a conference on financial services (December 2010) Hosted a dinner with the Chancellor of the Exchequer's then PPS, Greg Hands MP (September 2011) Organised a dinner for new Conservative MPs (November 2011) Hosted a lunch with the Chairman of Goldman Sachs Asset Management Jim O'Neill (March 2012) Co-organised a fringe meeting at the 2012 Conservative Party Conference featuring the then Employment Minister Mark Hoban MP, Simon Walker of the Institute of Directors, and Sam Fleming of The Times. Hosted a dinner with the Minister for the Civil Society Nick Hurd MP (February 2013) Hosted a joint dinner with the then Culture Secretary Maria Miller MP (January 2014) Organised a dinner with the Leader of the House of Lords Lord Hill (February 2014)
<p>Smith Institute</p>	<ul style="list-style-type: none"> Sponsoring a research project on

<p>An independent think tank which undertakes research and education on issues that flow from the changing relationship between social values and economic imperatives.</p>	<p>Innovative Long Term Individual Financial Products (2013)</p>
<p>Social Market Foundation (SMF)</p> <p>A cross-party think tank, developing innovative ideas across a broad range of economic and social policy; it champions policy ideas which marry markets with social justice and take a pro-market rather than free-market approach.</p>	<ul style="list-style-type: none"> • Sponsored a major conference on impact Bonds that featured the Work and Pensions Secretary Iain Duncan Smith MP and Chief Secretary to the Treasury Danny Alexander MP (December 2011) • Co-organised a dinner on youth unemployment at the 2013 Labour Party Conference. • Proposing a joint dinner on the future policy challenges facing London at the 2014 Labour Party Conference.
<p>Young Foundation</p> <p>A centre for social innovation based in London, with a track record of success in creating new organizations – public, private and non-profit – as well as influencing ideas and policies.</p>	<ul style="list-style-type: none"> • Founding corporate and ongoing sponsor since 2005. • Hosted a seminar on social innovation (February 2011) • Hosted a reception (December 2012)

Committee: Public Relations and Economic Development Sub-Committee	Date: 8 May 2014
Subject: City of London Brussels Annual Reception – Member attendance	Public
Report of: Director of Economic Development	For Decision
<u>Summary</u>	
<p>At the last meeting of the Sub-Committee, Members agreed the formula for Member representation at the City of London Annual Brussels Reception. It was agreed that in addition to the Chairman and the nominated representative on the IRSG Council, up to two additional Members with relevant experience could also attend.</p>	
<p style="text-align: center;">Recommendations</p> <p>To note the report and decide on Members drawn from the PR/ED Sub-Committee with relevant experience to attend the City of London Brussels annual reception, noting the decision taken at the Sub-Committee meeting on 20 February 2014.</p>	

Main Report

Background

1. At the last meeting of the Public Relations & Economic Development Sub-Committee, Members received a paper providing an explanation as the purpose and the format of the City of London Annual Reception.
2. The paper also proposed which Members should attend the reception. Members resolved: *that Member representation at the annual Brussels reception is by the Chairman of the Policy & Resources Committee, the Member who sits on the IRSG Council as an observer and up to two other Members with relevant experience.*
3. Since the last meeting of the Public Relations and Economic Development Sub-Committee, Martin Wheatley, Chief Executive of the Financial Conduct Authority has confirmed he will be the guest speaker at the Annual Reception on 3 November 2014, and attend the private dinner.

Attendance at the Annual Reception

4. Arrangements to organise the annual reception are already underway, and Members are asked to agree which Members of the PR/ED Sub-Committee,

with relevant experience, will attend the annual reception, in addition to the Chairman and the nominated representative on the IRSG Council.

Contact:

Giles French, Assistant Director of Economic Development
giles.french@cityoflondon.gov.uk | 0207 332 3644

Agenda Item 9

Committee:	Date:
Public Relations and Economic Development Sub-Committee	8 May 2014
Subject: Update and forward look on the activities of Public International Regulatory Strategy Group (IRSG)	
Report of: Director of Economic Development	For Information
Summary	
<p>Following the report presented in February 2014, this paper updates members on the activity undertaken by the International Regulatory Strategy Group in 2014 and sets out the anticipated areas of activity over the coming months.</p>	
Recommendation	
<p>Members are asked to note the report.</p>	

Main Report

Background

1. It was agreed at the meeting of the Public Relations and Economic Development Sub-Committee on 20 February that activities of the International Regulatory Strategy Group (IRSG) would be a standing item on your agenda.
2. This paper provides an update on recent IRSG activity and sets out the anticipated areas of activity over the coming months.

Recent IRSG activity

3. Since January 2014 the Policy Chairman has visited Berlin, Madrid and Lisbon and engaged with regulators, politicians and senior officials to promote the contribution of financial services to the wider economy, to discuss the impact of measures in the regulatory pipeline e.g. FTT, and to explain the City's role as Europe's international financial and business centre.
4. He also visited Switzerland in January and met policymakers and financial and professional services leaders. This dialogue provides a useful insight from a non EU Member State on the European regulatory debate.
5. The Lord Mayor, Policy Chairman and IRSG Chair took part in a Pre Presidency visit to Rome and Milan in April 2014 in preparation for the Italian EU Presidency. This was preceded by a business delegation from TheCityUK which met Italian business leaders and policymakers in Rome in

March 2014. Both visits are being co-ordinated as a single undertaking in conjunction with the British Embassy in Rome enabling a wider and deeper engagement than would be possible through a single visit.

6. The City of London hosted the Irish Taoiseach at a breakfast meeting on 9 April and is following up on the development of an Anglo-Irish financial services dialogue.
7. TheCityUK is also deepening engagement with EU ambassadors to London and held a roundtable with economic counsellors from France, Germany, Hungary, Lithuania and the Netherlands in March 2014. It is also developing bespoke programmes in selected Member States including the Netherlands and Italy.

Finance for Jobs and Growth in the EU

8. The Blue Skies Group has published a new Report on Finance for Jobs and Growth in the EU, launched in the European Parliament in Brussels in March 2014. This has been preceded by significant engagement with European policymakers including an extensive set of bilateral meetings with both UK and non-UK MEPS and a presentation to the Kangaroo Group in the European Parliament in Strasbourg in February 2014.

Financial Transactions Tax (FTT)

9. Two further City of London reports on the implications of an FTT have been published recently under IRSG auspices. The first was produced by Deloitte on “The implications of a Financial Transaction Tax for the EU Regulatory Reform agenda”. It has been circulated to fiscal and financial attaches, Ministry of Finance officials and key regulators and central banks. The report can be found here:

<http://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Pages/The-impact-of-the-financial-transaction-tax-on-financial-stability.aspx>

10. The second report, authored by London Economics, looked at the potential impact of the FTT on six European Union member countries for which relevant data was available. Four (Germany, Italy, Spain and Slovakia) are planning to participate in the FTT; and two (United Kingdom and Luxembourg) are not. The report was launched with the support of IRSG Council member, Allianz Global Investors, in Berlin on 18 February. A link to the report can be found here:

<http://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Pages/The-effects-of-a-financial-transaction-tax-on-European-households'-savings.aspx>

Transatlantic Trade and Investment Partnership (TTIP)

11. As one of TheCityUK's major objectives, every opportunity is being taken to ensure the sector's issues remain within the ambit of the negotiations. Activities here have included:

- a personal briefing to the Deputy Prime Minister in advance of his trip to Washington DC in September 2013. These points were raised in his meeting with Vice President Joe Biden and subsequently on a public platform
- discussions with senior officials in Whitehall and Brussels, including the lead TTIP negotiators
- participation in the BIS multi-stakeholder TTIP consultative group to represent the sector
- publication of two brochures detailing the key issues and sector's positions. The latest brochure on TTIP was widely circulated during Washington meetings including the Global Services Summit, which TheCityUK attended.
- sponsorship (with Thomson-Reuters) of the Atlantic Council Report "The Danger of Divergence: Transatlantic Financial Reform & the G20 Agenda" published December 2013 and launched in Washington DC (January 2014) and Brussels and London (February 2014) to much acclaim

IRSG future engagement

Engaging with the new European Parliament and the new Commission

12. We are preparing for significant change following the elections to the European Parliament in May, which is expected to result in an increase in the representation of Eurosceptic and populist parties and a further fragmentation of UK representation. TheCityUK has completed an information mailing to UK candidates and selected non-UK candidates and is planning to hold a series of targeted roundtables with the main UK parties in advance of the elections. We are also offering guidance to the UK Government on UK Commissioner candidates. The City of London is sponsoring British Influence's 'Our Biggest Market' project, a cross party campaign for Britain to remain in the Single Market, and we are working with Open Europe on a conference on financial services and EU reform.

13. We plan to use the "Finance for Jobs and growth in the EU" (referred to above) in our future dialogue with European policymakers, going beyond tactical engagement. The goal of this dialogue is to demonstrate that financial and related professional services are a catalyst for growth in the European economy — with an overarching aim to enhance the competitiveness of the European financial and related professional services sector.

14. As part of the work of the City of London's Anglo-French Committee, our briefing for new MEPs will include a further paper on Liquidity, in the Wholesale Financial Markets series of papers produced (with the support of Accenture) in conjunction with Paris-Europlace, the CBI, and their French counterpart MEDEF. The papers will then be repackaged and re-launched, with a foreword by Commissioner Barnier in the run up to the European Parliament elections.
15. Research into non-bank intermediation for SMEs and infrastructure is being finalised, and we will be engaging with the European Commission to highlight policies which are good practice in infrastructure investment.

IRSG Workstreams Update

Banking Union and structural reform of the banking sector

16. The IRSG Executive Board agreed (21 March) that the IRSG should set up two new working groups to engage on the development of the banking union and on the structural reform proposals for the banking sector. It was concluded that though the initial focus is on banks both developments will have far reaching cross-sectoral implications.
17. The key goal of the working group on banking union will be to develop proactive engagement between the IRSG and the European Central Bank – in particular with Danièle Nouy and officials in the Single Supervisory Mechanism department. Through this the IRSG will encourage the ECB to take fully into account the interests on the non-participating Member States and in particular the role of the City as the EU wholesale financial centre. In parallel it will work on developing a good relationship with the Prudential Regulatory Authority department of the Bank of England (including the Governor's work on the Financial Stability Board), the Financial Conduct Authority and also with the European Banking Authority.
18. The key goal for the group on bank structure will be to provide technical input during the co-decision process, to ensure the final rules allow banking groups to continue to operate efficiently without undue restrictions on their activities or inappropriate capital allocation requirements. The targets for this working group would be the ECON committee in the EP and Council members. The timeframe allows preparatory work to be undertaken now before the serious negotiations commence in the autumn.

Balance of Competences (BOC)

19. The IRSG Balance of Competences Working Group produced an IRSG submission on "Financial Services and Capital Markets" to HM Treasury in January 2014. Support was given from IRSG Council member, PWC.

EU/UK relationship

20. We – the City of London and TheCityUK – continue to promote an informed debate on UK/EU issues, working with other organisations such as the CBI. The Lords EU Sub Committee on Economic Affairs published its report on Genuine Economic and Monetary Union on 14 February. There is a section in the report on the impact on the City (paras 164-168) which makes several references to the oral evidence given by the Policy Chairman.

<http://www.publications.parliament.uk/pa/ld201314/ldselect/ldecom/134/134.pdf>

21. We also continue to roll out a research and engagement programme focussed on the benefits to the UK of the Single Market in Financial Services.

Background Papers:

Development of the City of London Corporation's engagement with the EU institutions, development of policy on EU regulatory issues, and the role of the International Regulatory Strategy Group (IRSG)
February 2014

Director of Economic Development

T: 0207 332 3605

E: paul.sizeland@cityoflondon.gov.uk

This page is intentionally left blank

Committee: Public Relations and Economic Development Sub-Committee	Date: 8 May 2014
Subject: Report of the City of London Pre-Presidency Visit to Italy, Monday 7th	Public
Report of: Director of Economic Development	For Information

Summary

The Lord Mayor, the Chairman of Policy and Resources and the Chair of the International Regulatory Strategy Group (IRSG) visited Rome in advance of Italy taking over the Presidency of the Council of the European Union from 1 July 2014. The policy Chairman also spent a day in Milan.

The team heard from interlocutors about their favourable reactions to the new Prime Minister's ambitious plans for Italy; it was encouraging to hear such optimism surrounding his plans. He has set out a reform agenda focusing on domestic policies and a push for growth including: €10bn of tax cuts targeted on low earners; cuts in regional taxes on businesses; more flexibility in the labour market for new hires over three years; and committed his administration to paying the entire stock of government arrears to businesses of €68bn by the summer.

It was clear that Italy is very supportive of the UK's membership of the EU but that for the foreseeable future it would be focusing on their domestic situation and its reform agenda.

The visit followed an earlier visit by TheCityUK (TCUK) during which colleagues developed the initiative to start a financial services regulatory dialogue between UK-based financial services firms and Italian financial services firms.

Outcomes and actions

The City of London (COL) Brussels Office is working together with the embassy on an event due to take place on 28 May showcasing the COL research report on The Effects of a Financial Transaction Tax on European Households' Savings. This was promoted during the visit and the event is taking shape, the Brussels office is taking this forward with the British Embassy.

An outcome of the TCUK visit was the TCUK led initiative to develop a financial services regulatory dialogue between UK-based financial services firms and Italian financial services firms. This would be similar to that of the Anglo-French dialogue which has already been established. The initiative was discussed further during the COL visit and there was strong interest amongst interlocutors. The COL and TCUK would take this forward initially by holding a planning meeting.

Recommendation

That Members note the content of the report.

Main Report

1. The Lord Mayor, the Chairman of Policy and Resources and the Chair of the IRSG visited Rome on Monday 7 April, the full programme is attached at Annex A. The purpose of the visit was to meet senior political and government figures to discuss the EU financial services policy agenda ahead of Italy taking over the Presidency of the Council of the European Union on 1st July 2014.

The main aims of the visit were to:

- a) To strengthen existing ties with policy-makers and the financial services community and create new relationships, deliver positive messages on the UK's membership of the EU, and stress the importance of the Single Market
- b) To exchange views on key regulatory issues of importance to both the UK and Italy – and influence thinking on issues of particular importance to the UK such as Financial Transaction Tax (FTT) and Banking Union
- c) To explore views among other member states regarding potential European reform, with a focus on the impact of the upcoming European elections and incoming Commission this year

The key message was to express support for the EU, highlight the desire for the UK to remain a part of it and advise that in order to maintain competitiveness in the global economy we needed to adapt and move the focus from regulation to growth.

1. The delegation held four key meetings at which they discussed the priorities for the Presidency, key pieces of financial regulation and how Italy might influence the agenda of the new Commission following the European elections. At each meeting the City Corporation emphasised the desire for the UK to remain a part of the EU and this was very well received. Each interlocutor felt it would be damaging to Europe should the UK leave.
2. On the conclusion of the visit to Rome the Chairman, accompanied by Mike Vercnocke, visited Milan. A report of this visit is at the end of the report.
3. Prior to the visit the LM and the CPR attended a breakfast in London with Prime Minister Renzi and heard from him about his ambitious reform agenda. In Rome the delegation heard generally positive reactions to his programme of constitutional and economic reform. It is clear that people, including those who do not naturally support his political party, are cautiously hopeful that he is the right leader at the right time to make the radical structural changes that Italy needs. His strength appears to be an ability to make quick decisions and implement them. However, some interlocutors suggested that he is weakened by not being an elected member and by a divided parliament he does not have full control over, and that calling an early election before his electoral reforms are passed is unlikely to deliver him a working majority. To ensure support for his reforms he

has had to agree to link them to the reform of the Senate into a consultative body for the regions, with no legislative power, and reform of regional government. There is a danger that linking these together could derail the process or at least slow it down.

4. It will take a significant change in culture in order for the reforms to be accepted and effective.

Presidency of the Council of the European Union

5. We emphasised that the timing of the Italian Presidency presents a unique opportunity for Italy to influence the agenda of the new Commission and to steer it towards institutional reform and economic growth, both of which the City supports strongly. The delegation explained that the City and the vast majority of firms operating in it support the UK's continued membership of the EU but that the EU needs reform to maintain its economic competitiveness in the global economy. The delegation found Italians receptive to this message. Italians see reform of the EU as supporting Italy's own efforts at structural reform.

European Issues

6. With the upcoming European elections and the appointment of the new Commission the Italian Presidency will enjoy less time to reach conclusions on financial dossiers but some critical issues will nevertheless need attention. Italy's Presidency will see major milestones in establishing the **Banking Union**. The European Central Bank's (ECB) Asset Quality Review will conclude in October, the Single Supervisory Mechanism becomes operational in November and the Single Resolution Mechanism will come into effect from January 2015. The Banca D'Italia was confident that the ECB would not find significant capital shortfalls in Italian banks, though there might be some need for additional funds. The Italian banks had already made significant additional provisions for bad debts and were not exposed to the more risky types of business.
7. One possible area of divergence from the UK might be on how to progress the Commission's proposals on **structural reform of the banking sector**. Italy is keen to make progress and would prefer to see a single set of rules applying across the EU with no derogations for existing national reforms. This is a view that was echoed on recent visits to Spain and Portugal.
8. The Italians are keen to deliver a successful Presidency but it was clear that their attention has not yet turned to the details and they are waiting to see how far the Greeks can clear the legislative backlog. Their overarching priority is to deliver on **jobs and growth**. They are looking at how to improve the financing of the economy and for new instruments to complement bank financing with other forms of finance, in particular to support the growth of Small to Medium Enterprises (SMEs).
9. The delegation heard of the Italian's support for the recent communication from the Commission on **Long Term Finance** and learned that they have a working group looking at the communication. The Minister of Finance was supportive of

developing non-bank finance for growth, looking at securitisation in the first instance. The Minister for European Affairs was clear that the growth agenda would be a key focus of their Presidency and he made a point of highlighting SME financing as a priority.

10. The growth agenda was the key driver behind an event at the Senate “Diversity: a Key to Economic Growth”. This event was attended by a diverse audience drawn in by the powerful panel of speakers. The panel raised issues that need to be addressed in order to boost economic growth.
11. During a discussion at the Ministry of Finance we shared the IRSG research paper on the effects of a **Financial Transaction Tax** (FTT) on European households savings. The delegation explained that these effects contradict what the Commission and national governments are trying to achieve regarding the jobs and growth agenda. They were confident that the Italian FTT (similar to a stamp duty) is working well so far and they have seen positive results with increased activity on the Italian Stock Exchange. The delegation heard later that though activity had increased many conclude that it would have increased more without the introduction of the tax. They remain fully in support of the enhanced cooperation FTT proposal and expect the Italian Presidency to make progress on it; although they appreciated that FTT at the European level will be more challenging to achieve.
12. On the **Transatlantic Trade and Investment Partnership** interlocutors were concerned that forcing the inclusion of financial services in the negotiations might jeopardise overall success, and the gains (for Italy) in non-financial sectors is large.

Visit to Milan Tuesday 8 April 2014

13. The Chairman, accompanied by Mike Vercocke, had a one-day visit to Milan organised by the British Consul General Vic Annells.
14. Following a briefing session with the Consul General on UKTI’s work in Italy the Chairman attended a networking lunch with 13 representatives of the Italian financial services sector.
15. Investor lunch
The Chairman outlined the role of the City as the EU wholesale financial centre and gave a brief update on the economic climate in the UK. The following discussion ranged from the outcome of the Scottish referendum to the difficulty of opening bank accounts in the UK. There was concern that the proposed **FTT** would damage the Italian economy and interest in the City’s FTT event planned for May in Rome. There was support for the proposed reforms by the new Prime Minister.
16. Meeting with Borsa Italiana
They confirmed that the Italian FTT (which is in practice a type of stamp duty) had had a negative impact on stock exchange activity. Whilst it was true that with the economic upturn transactions had recently increased, the level was less than they

assessed would have been the case without the tax. It was also proving expensive to collect. The synergies with the London Stock Exchange were considerable and the Borsa's initiative to help Italy's growing companies gain access to long term business support and prepare them for external investment was now being rolled out in London by the LSE.

17. Roundtable "Growth – the contribution of financial markets"

Around 50 representatives from banks, fund managers and insurance companies attended the roundtable. The Chairman started the meeting with an overview of the role of the City and economic developments in the UK. Ivan Jevtovic, Head of Financial Institutions HSBC Italy then outlined how he saw the role of the financial markets developing, in particular the growing importance of capital markets in financing growth. The debate focused on the importance of developing new channels for the **financing of SMEs**, which form the backbone of the Italian economy. A problem was the low level of capital in SMEs which was reflected in low levels of investment. This was due in part to the norm of family ownership. Historically families had tended to take money out of their companies as soon as possible to finance expenditure. Despite fiscal incentives to invest, this was still the norm.

Media

18. The Lord Mayor gave interviews both prior to the visit and on the visit itself and the Chairman has written for CityAm and given an interview to the Economist on his return.

Follow-up

19. This visit followed an earlier visit by TheCityUK during which they developed the initiative to start a financial services regulatory dialogue between UK-based financial services firms and Italian financial services firms. We echoed this message on the visit and it was extremely well received, there was a lot of interest to join the group. To take this forward COL and TCUK representatives will meet to establish an engagement strategy.

Conclusion

20. A very timely visit following the changes in government and a chance to influence their thinking on the priorities for the Italian Presidency. In partnership with TCUK there are already a number of follow-up events planned and a chance to foster the relationships developed on the visit. There are inward visits planned for the Minister of Finance and the Minister for European Affairs.

21. The Lord Mayor and the Chairman were grateful for the close engagement of Her Majesty's Ambassador Christopher Prentice and his team.

Contact:

Kimberley Hall, European Officer, Economic and Development Office
T: 0207 332 3085 Email: Kimberley.hall@cityoflondon.gov.uk

Annex A: PROGRAMME

Monday 7th April – Rome

EVENT
Meeting with <u>Ignazio Visco</u> , Governor of the Central Bank Opportunity to discuss: <ul style="list-style-type: none">• Priorities for the new European Parliament and Commission• Presidency priorities• Initiative for Anglo-Italian Dialogue• Banking Union, structural reform and the Single Market• Financial Transaction Tax• Role of Financial Services in provision of long-term and SME finance
Meeting with <u>Pier Carlo Padoan</u> , Economy and Finance Minister Opportunity to discuss: <ul style="list-style-type: none">• Priorities for the new European Parliament and Commission• Presidency priorities• Reform of the EU• Financial Transaction Tax• Banking Union and structural reform
Meeting with <u>Sandro Gozi</u> , Under Secretary for European Affairs Opportunity to discuss: <ul style="list-style-type: none">• Presidency priorities
Meeting with <u>Giuseppe Vegas</u> , President of CONSOB (regulator) Opportunity to discuss: <ul style="list-style-type: none">• Presidency priorities• FTT• Financing jobs and growth
Lunch Roundtable on Energy and Privatisation
“Diversity for Growth” event with Valeria Fedeli , Deputy Speaker and members of the Senate
<i>Meeting for the Chairman and Rachel Lomax with Lorenzo Codogno, Economy Ministry</i>
TV interview with Sky News Italy
Dinner hosted by the Ambassador at the residence for high level contacts

Tuesday 8th April - Milan

EVENT
Arrive Milan, Briefing meeting at the Consulate

Investors Lunch at restaurant

High level investors from financial services and other sectors.

Meeting with **Fabrizio Plateroti** and **Barbara Lunghi**, Borsa Italiana

Roundtable discussion at Palazzo Cusani

Guests representing industry/financial and banking sector.

Networking Reception (sponsored by HSBC)

Industry Dinner at Palazzo Cusani

This page is intentionally left blank

Agenda Item 14

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank