



Public Relations and Economic Development Sub (Policy & Resources) Committee

Date: TUESDAY, 10 SEPTEMBER 2019

Time: 4.00 pm

Venue: COMMITTEE ROOM 3 - 2ND FLOOR WEST WING, GUILDHALL

Members: Deputy Catherine McGuinness (Chairman)
Simon Duckworth (Deputy Chairman)
Deputy Keith Bottomley
Tijs Broeke
Dominic Christian
Karina Dostalova
Anne Fairweather
Alderman Prem Goyal
Christopher Hayward
Deputy Jamie Ingham Clark
Deputy Edward Lord
Andrew Mayer
Jeremy Mayhew
Alderman William Russell
Deputy Tom Sleigh
Sir Michael Snyder
James Tumbridge
Alderman Sir David Wootton

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John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 2 July 2019.

For Decision
(Pages 1 - 8)
4. **IG MONTHLY UPDATE**
Report of the Director of Innovation & Growth.

For Information
(Pages 9 - 12)
5. **CORPORATE AFFAIRS UPDATE**
Report of the Director of Communications.

For Information
(Pages 13 - 16)
6. **PARLIAMENTARY TEAM UPDATE**
Report of the Remembrancer.

For Information
(Pages 17 - 22)
7. **PREPARING FOR A DEAL AND A NO DEAL IN FINANCIAL AND PROFESSIONAL SERVICES**
Report of the Director of Innovation & Growth.

For Information
(Pages 23 - 26)
8. **US STRATEGY & CAMPAIGN**
Report of the Director of Innovation & Growth.

For Decision
(Pages 27 - 30)

9. **JAPAN FPS STRATEGY UPDATE**
Report of the Director of Innovation & Growth.

For Decision
(Pages 31 - 38)

10. **PROFESSIONAL AND BUSINESS SERVICES COUNCIL (PBSC) UPDATE**
Report of the Director of Innovation & Growth.

For Information
(Pages 39 - 42)

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.

For Decision

Part 2 - Non-Public Agenda

14. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 2 July 2019.

For Decision
(Pages 43 - 44)

15. **BREXIT**
The Chair of Policy & Resources to be heard.

For Discussion

16. **INTERNATIONAL ENGAGEMENT**
The Chair of Policy & Resources to be heard.

For Discussion

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

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

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PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB (POLICY & RESOURCES) COMMITTEE

Tuesday, 2 July 2019

Minutes of the meeting of the Public Relations and Economic Development Sub (Policy & Resources) Committee held at the Guildhall EC2 at 3.00 pm

Present

Members:

Deputy Catherine McGuinness (Chairman)	Deputy Edward Lord
Simon Duckworth (Deputy Chairman)	Andrew Mayer
Deputy Keith Bottomley	Jeremy Mayhew
Tijs Broeke	Alderman William Russell
Karina Dostalova	Deputy Tom Sleigh
Anne Fairweather	James Tumbridge
Alderman Prem Goyal	Alderman Sir David Wootton
Christopher Hayward	

Officers:

John Barradell	- Town Clerk & Chief Executive
Greg Moore	- Town Clerk's
Colin Buttery	- Director of Open Spaces
Nigel Lefton	- Director of Remembrancer's Office
Emma Wade	- Remembrancer's
Vic Annells	- Executive Director of Mansion House & CCC
Damian Nussbaum	- Director of Innovation & Growth
Bob Roberts	- Director of Communications
Jan Gokcen	- Communications
Emma Cunnington	- Town Clerk's

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Deputy Jamie Ingham Clark.

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

There were no declarations of interest.

3. MINUTES

RESOLVED – That the public minutes and summary of the meeting held on 11 June 2019 be approved as a correct record.

4. OUTSTANDING ACTIONS

The Sub-Committee received a report of the Town Clerk outlining outstanding actions of the Sub-Committee. The Chair clarified that the first action was oddly

worded, and the report should cover all the work of the Professional and Business Services Council.

The Town Clerk also clarified that the information on staff costs for Common Hall had been circulated to the Sub Committee that morning and was to note.

RESOLVED, that:

- The report be noted.

5. INNOVATION & GROWTH (IG) UPDATE

The Sub-Committee received a report of the Director of Innovation & Growth updating Members of the key activity undertaken by the Innovation and Growth Directorate (IG) in June.

A Member asked for more information around the LawTech Sounding Board to be advertised to the wider legal community and the Chair asked for the relevant officer in IG to follow up with the Member to give more detail outside of the meeting. The Chair also asked for TheCityUK to be involved in the LawTech Sounding Board.

It was also pointed out that the UK Singapore Summit had been a useful opportunity but that it had not gone unnoticed that there were some empty seats at the event. The Director of Innovation and Growth informed Members of the Memorandum of Understanding with Singapore that had been signed at the event, and that, in contrast, the Green Finance Summit had a high turnout of guests.

The Senior Alderman Below The Aldermanic Chair (SABTAC) took the opportunity to update Members on his recent visit to the Lujiazui Forum in Shanghai and the contacts he made there, as well as an update on recent strategic guests that had been invited to Aldermanic lunches, such as David Schwimmer from the London Stock Exchange Group (LSEG).

The Chair updated Members on her recent visit to New York for the British American Business Transatlantic Forum and advised Members that in due course she would like to discuss with the Policy & Resources Committee, how the red lines around the Lord Mayor's and Policy Chair's overseas visits could be slightly relaxed.

RESOLVED, that:

- The report be noted.

6. CORPORATE AFFAIRS UPDATE

The Sub-Committee received a report of the Director of Communications providing Members with a monthly update of the Corporate Affairs team's activities in supporting the City Corporation's strategic political engagement.

Members commented on the City Corporation's engagement and communications with residents and City workers and how to improve this in light of the recent opposition to the City of London Primary Academy Islington

expansion from Barbican residents. Additionally, a Member suggested that there could be further engagement with local authorities outside the M25 to replicate the London boroughs engagement.

Following a question, the Director of Communications clarified that the City Corporation had attended the Brexit Party Conference in June but had felt that it was not the right forum to engage with the Party. Further consideration would be given to identify the best way to engage with the Brexit Party as well as the Liberal Democrats and the Green Party.

The Chair commented that the current format of the update reports of the Director of IG, Director of Communications and Remembrancer were not quite right and would discuss outside the meeting to improve this.

RESOLVED, that:

- The report be noted.

7. PARLIAMENTARY TEAM UPDATE

The Sub-Committee received a report of the Remembrancer updating Members on the main elements of the Parliamentary Team's activity in support of the City Corporation's political and parliamentary engagement.

Following a request, the Remembrancer gave some further information on the submission of evidence to the Treasury Select Committee's inquiry into green finance. Members also noted that work was being undertaken to monitor the Liberal Democrats Party leadership election, as well as the Conservative Party.

Another Member took the opportunity to thank the Remembrancer for an excellent reception on the occasion of the Pride flag-raising in Guildhall Yard and asked that more thought goes into ensuring there is a balance in choice of speakers for next year.

RESOLVED, that:

- The report be noted.

8. 2019/20 MAYORAL PROGRAMME - ALDERMAN WILLIAM RUSSELL (SUBJECT TO ELECTION)

The Sub-Committee received a joint report of the Executive Director of Mansion House & Central Criminal Court, Director of Innovation & Growth, Assistant Town Clerk & Director of Major Projects and Director of Community & Children's Services.

The Senior Alderman Below the Aldermanic Chair gave a few words to introduce his mayoral theme (subject to election). The Policy Chair congratulated him on a very positive programme and looked forward to continuing the "One Team" approach, especially with a potential future joint visit to engage with the London Symphony Orchestra's programme in New York next year. Members were also pleased to see that the Programme reflected the Corporate Plan.

RESOLVED, that:

- The 2019/20 Mayoral theme as set out in the report be noted.

9. **THE UK COALITION FOR DIGITAL INTELLIGENCE - PROPOSAL**

The Sub-Committee received a joint report of the Director of Community & Children's Services and the Director of Innovation & Growth concerning the development of a UK Coalition for Digital Intelligence (UK CDI) which had been formed as part of the Lord Mayor's theme: 'Shaping Tomorrow's City Today'.

RESOLVED, that:

- The report be noted.

10. **THE CITY OF LONDON CORPORATION'S SPORT AND PHYSICAL ACTIVITY STRATEGY FOR 2019-23**

The Sub-Committee received a report of the Head of Corporate Strategy and Performance outlining the draft version of the City Corporation's Sport and Physical Activity Strategy for 2019-23.

The Policy Chair underlined to Members that this was a draft strategy that had already been discussed at large number of various Committees and Sub-Committees. Members also heard how there a Member Briefing Breakfast had taken place the previous Friday that had looked at the comments from Committees in more detail.

Members discussed and made the following points:

- The Sports Strategy must be linked with the London strategy;
- Member input should be better organised;
- It might be useful for Policy & Resources Committee to set up an informal working party to assist officers, as was the case in the development of the Education Strategy;
- Invitations to hospitality around sporting events could be deployed more strategically, i.e. not just to Members but also to key external stakeholders, and Members who went to the recent Major Baseball League match commented on the usefulness of the engagement;
- Consideration should be given to use the Freedom of the City as a way to thank volunteers who support grassroots sport across London boroughs

A Member sought clarification regarding the Sports Engagement work and this Sports Strategy. It was discussed that the intention was that the Sports Engagement work fit in under the umbrella Sports Strategy, and that the particular work on Sports Engagement, which sits in the Corporate Affairs team, is governed by the Policy and Resources Committee, which had delegated the oversight to this Sub-Committee.

RESOLVED, that:

- The draft Sports Strategy be noted, and the comments above be incorporated into the revised version.

11. **EMISSIONS REDUCTION BILL UPDATE**

The Sub-Committee received a joint report of the Director of Markets and Consumer Protection and the City Remembrancer updating Members on the Emissions Reduction Bill.

Following a question, the Remembrancer advised that due to the changes in the parliamentary timetable, there had been some uncertainty on the timing of the Parliamentary session where this Bill would be introduced, but it was hoped that it would take place before the Summer recess.

The Chair advised that the City Corporation was working very closely with London Councils on this area, and that the communications around the air quality work was very strong.

RESOLVED, that:

- The report be noted.

12. **APPLICATION FOR USE OF EPPING FOREST LAND AT WANSTEAD FLATS FOR A MUSIC CONCERT. SEF 29/19**

The Sub-Committee received a report of the Director of Open Spaces setting out some background to an application for use of Epping Forest Land at Wanstead Flats for a music concert.

The Director of Open Spaces gave the Sub-Committee some background on the concerns raised by the Epping Forest Consultative Committee and the events policy that has allowed for events to take place on City Corporation-owned open spaces.

Members urged the Director of Open Spaces to consider including in the contract with the event organisers, that the concert should be plastic free, which would be possible in a controlled environment such as this. There was also some discussion at length about the reputational risks and how to compensate the local population. A Member also expressed concern about the amount of football pitches that would be used up by the concert at Wanstead Flats, however the Director of Open Spaces clarified that only up to 11 pitches out of 45 would be affected. Members also commented that a reputational risk assessment should have been carried out by officers and this Sub-Committee should have commented on that rather than the whole application report.

The Director of Open Spaces clarified with Members that sports groups, as well as local authorities (including London Boroughs of Newham, Waltham Forest and Redbridge), had been consulted; that the ground at Wanstead Flats is very dry and unlikely to struggle with waterlogging; and that, although there had been a waste and sustainability plan in place, this would be worked on to ensure the event would be plastic free.

Members had a number of other points to make, which was taken into a non-public discussion under Section 12A, Paragraph 4 of the Local Government Act 1972.

RESOLVED, that:

- The report be noted;
- It be recommended to the Epping Forest and Commons Committee that the Open Spaces Director liaise with the event organisers to include provisions for a plastic-free event.

13. **SIX MONTHLY MEDIA UPDATE**

The Sub-Committee considered a report of the Director of Communications summarising the media output over the past six months from the City Corporation's Media Team.

RESOLVED, that:

- The report be noted.

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

There were no questions.

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

There were no urgent items.

16. **EXCLUSION OF THE PUBLIC**

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 I of the Schedule 12A of the Local Government Act.

Item	Paragraph
17, 18	3
19	4

17. **NON-PUBLIC MINUTES**

The non-public minutes and summary of the meeting held on 11 June 2019 were approved.

18. **CPR UPDATE**

Due to time, the Chair decided she would update Members on her recent activity at a future meeting.

19. **NON-PUBLIC APPENDIX RELATING TO WANSTEAD FLATS**

The Sub-Committee considered the non-public appendix in relation to item 12.

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

Questions were raised in respect of the following –

Sub-Committee name

A Member raised that now the Economic Development Office's name had changed to Innovation & Growth, whether it would be prudent to change this Sub-Committee's name to the Public Relations and Innovation and Growth

(PRIG) Sub-Committee or even the Communications and Innovation and Growth (CIG) Sub-Committee. Members agreed that the question could be posed to the Policy & Resources Committee at a future meeting and would be included in the impending governance review.

City of London Corporation Website

A Member raised that it was important that the Digital Services Sub-Committee and this Sub-Committee work more closely together in the delivery of the new website and understand the different focuses each Sub-Committee will have (i.e. Digital Services Sub-Committee to be responsible for the technical delivery and Public Relations and Economic Development Sub-Committee to be responsible for the content).

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

There were no items of urgent business.

The meeting closed at 4.44 pm

Chairman

Contact Officer: Emma Cunnington
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Committee	Dated:
Public Relations & Economic Development Sub-Committee	10 September 2019
Subject: IG monthly update – September	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Information
Report author: Emily Howell, Executive Officer, Innovation & Growth	

Summary

The following report provides Members with highlights of the key activity undertaken by the Innovation and Growth Directorate (IG) since the July PRED Committee. Each area of activity is linked to the objectives outlined in the IG Business Plan.

Recommendation

Members are asked to:

- Note the progress of IG workstreams.

Main Report

Innovative Ecosystem

1. The Policy Chair hosted a roundtable with US Trade Representative (USTR) and DIT officials on 11 July. This took place in the margins of the inter-government US-UK Trade and Investment Working Group (TIWG). USTR and DIT colleagues presented their reflections on trade policy developments in the US and the UK. Industry participants shared ways of further minimising any barriers to trade and improving market access particularly going forward beyond Brexit, and in the future face threats, as well as opportunities such as FinTech, cybersecurity and cryptoassets.
2. The first plenary meeting of the Green Investment Principles (GIP) secretariat was held on 15-16 August in Beijing. The meeting brought together all GIP signatories and supporters to share knowledge and best practices on green investment for the Belt and Road region. It endorsed a pathway to implementation of the principles, discussed the work plan for further developing the voluntary code of conduct, and collectively raised the ambition for green, low-carbon and climate-resilience investment.
3. The Lord Mayor and five elected Members attended the 37th International Symposium on Economic Crime in Cambridge. The event brought leading minds together to tackle questions regarding economic crime, including human trafficking and terrorism. The programme looked at the opportunities of using cutting edge methods that are created with the advent of new technologies such as artificial intelligence and blockchain.

4. IG contributed to a booklet on Fintech, published by the APPG for the Fourth Industrial Revolution. In the booklet, both the Policy Chair and Lord Mayor share details about the City Corporation's Digital Skills strategy and future.now – a new coalition designed to motivate people and businesses around the UK to boost their digital capabilities. The coalition, led by the Lord Mayor, is being developed in partnership with BT, Lloyds Banking Group, Accenture and others. Launching the coalition is a multi-department project involving colleagues from IG, Corporate Strategy and Mansion House.

World Class Business Environment

5. The IRSG Council met on 15 July; members received an update on planning for both a deal and a no deal Brexit, as well as indication of other ongoing areas of work, such as the development of Global Financial Partnerships, Economic and Financial Dialogues and the preparation of free trade agreements. The representative from the Department of Digital, Culture, Media and Sport (DCMS) highlighted the progress achieved in securing the continued free flow of personal data between the UK and EU adequacy countries. From an international perspective, the UK government is also seeking to push back on the issue of data localisation. This aligns well with the proposed future workplan of the IRSG Data workstream which intends to produce a report on this topic.
6. The new Relationship Management team has started establishing the processes for relationship management: a "One List" of top businesses and trade associations has been produced with an account manager allocated to each one. A handbook on the value and approach to relationship management has been drafted for all staff engaged in account management. Meetings are being scheduled with key accounts in autumn 2019.
7. Deputy Bottomley and Alderman Howard attended the graduation ceremony for students on the Fundamentals for Financial Service course, delivered by the Chartered Institute for Securities and Investment (CISI). The Skills team have worked with the CISI for two years introducing over 60 A-Level students from City Corporation academies to the financial services sector.
8. IG held a Social Mobility roundtable to get insights from businesses on the challenges of progressing talent from all backgrounds. Despite studies showing that employees from disadvantaged backgrounds perform better, their rate of progression is significantly less than their more advantaged peers. Academics Dr Sam Friedman and Dr Louise Ashley spoke.

Access to Global Opportunities

9. The Policy Chair hosted a roundtable on 4 July for the Irish Minister of State with special responsibility for Financial Services and Insurance, Michael D'Arcy TD. The Minister was in London to present Ireland's new International Financial Services Strategy, 'Ireland for Finance'. The Minister is keen for the closest possible future trading relationship between the two countries post-Brexit.

However, he stated that the backstop was not up for negotiation. Green finance and FinTech were also identified as areas for potential future collaboration.

10. From 6-14 July the Trade & Investment team supported the Lord Mayor's visit to Malaysia, Indonesia and China (specifically Kuala Lumpur, Jakarta, Shanghai, Suzhou and Hangzhou) as part of their overseas engagement. Both Indonesia and Malaysia focussed on Green and Islamic Finance. Market access in relation to the legal sector was another key focus on the Malaysia leg of the visit, as well the infrastructure gap being a focus for Indonesia. In China, the Lord Mayor visited Shanghai, Suzhou and Hangzhou alongside Nikhil Rathi, CEO of the London Stock Exchange and Director of International Development at LSEG. During this leg of the visit, the Lord Mayor met with important stakeholders including a roundtable held jointly by DIT and ICAEW, which focused on capital market ties and promoting London as a centre for IPOs and bond listings.
11. Following the Lord Mayor's visit to India in 2018, there was an agreement with DIT to collaborate on an 'India Day' at Mansion House. On the 16 July, the Lord Mayor opened the conference which featured speakers including the Indian Commerce Minister, the Prime Minister, and the then-Secretary of State for International Trade Dr Liam Fox, as well as senior business leaders from both India and the UK. Panel sessions were hosted across the day focused on financial services topics including insurance, Green Finance, innovation, stressed assets, and the future partnership between India and the UK. The day concluded with a reception opened by the Policy Chair.
12. From 23-28 July the Trade & Investment team supported the Lord Mayor's visit to Leeds and Manchester as part of their Regional Strategy. In Leeds, the Lord Mayor attended engagements with Yorkshire Building Society, Leeds City Council and DLA Piper, whilst in Manchester he attended a FinTech lunch, visited Lloyds Digital Academy and met the Mayor of Greater Manchester, Andy Burnham. Collaboration rather than competition was a key theme during the visit as we explored how the City of London can support the growth of financial and professional services (FPS) in the regions and attract more northern businesses onto our international trade delegations. This will develop new opportunities as part of our regional strategy to grow international FPS trade and investment across the UK.

Global Recognition of UK's FPS Offer

13. The research team has published three new brochures highlighting the UK's competitiveness and make-up of the FPS sector, which:
 - a. Showcase the opportunities that greening the Belt and Road Initiative offers for UK and Chinese businesses at the China focused events hosted by the City of London on 3 September.
 - b. Update figures demonstrating the key role that various UK financial and professional services hubs (with a particular focus on the key centres encompassed by the City Corporation's regional strategy) play in driving high skilled employment, foreign direct investment and exports across

the whole of the UK. This output was launched at the International Trade Dinner on 5th September.

- c. Showcase the UK's compelling offer as a place for international financial and professional services firms to locate, invest and do business. Part of the www.theglobalcity.uk campaign, this print product was also launched at the International Trade Dinner on 5 September.

**Emily Howell | Executive Officer
Innovation and Growth**

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Committee Public Relations and Economic Development Sub (Policy and Resources) Committee	Dated: 10 September 2019
Subject: Corporate Affairs Update	Public
Report of: Bob Roberts, Director of Communications	For Information
Report author: Jan Gokcen, Corporate Affairs Officer	

Summary

This report provides a monthly update of the Corporate Affairs team's activities in supporting the City Corporation's strategic political engagement.

The Corporate Affairs team coordinates and organises the City Corporation's political engagement and supports both Members and Officers in its delivery. The focus of this report is on the activity undertaken by the Policy Chair and the Lord Mayor.

The activities documented in this report focus largely on those lead by the Corporate Affairs team. Activities undertaken in partnership with other teams and/or departments are also included and have been appropriately termed.

Each area of activity is linked back to the objectives outlined in the Communications Business Plan.

The timeframe of this report spans the period lapsed between the previous and current meetings of this Sub Committee.

Recommendation

Members are asked to:

- Note this report.

Main Report

Strategic Objectives

1. To fulfil the objectives set out in the Communications Business Plan set out for the Corporate Affairs team.

Overview

2. Based on developments in the domestic political and economic landscape and in line with the City Corporation's corporate priorities, the Corporate Affairs Team has focused its activity in the areas of engagement listed below.

Brexit

3. Ahead of the United Kingdom's departure from the European Union, the Corporate Affairs team:
 - a. Monitored political developments in the UK and EU following the agreement between both parties to extend to the deadline for departure the UK's departure to 31 October;
 - b. Contributed to Brexit updates for the Policy Chair and Lord Mayor;
4. The above links to the following Business Plan objectives:
 - a. To have coordinated political engagement activity across the organisation;
 - b. To remain relevant in the policy-making and political sphere.

London – Local engagement and London promotion

5. The Corporate Affairs team seeks to maintain and develop the City Corporation's engagement with communities, bodies and authorities across London. The Corporate Affairs team:
 - a. Drafted the Policy Chair's speaking remarks at the launch of the South London Downs National Nature Reserve;
 - b. Sponsored and delivered the Fabian Society's publication on challenges and opportunities for London in the 2020s. *Capital Gains: A Global City in a Changing World* features a series of contributions from a range of leading figures, including Sadiq Khan, the Mayor of London, Prof. Tony Travers and Frances O'Grady, General Secretary of the Trades Union Congress. The Policy Chair wrote an essay outlining how London can continue to be a global city that attracts investment in the post-Brexit world;
 - c. Continued engagement with London boroughs.
6. The above links to the following Business Plan objectives:
 - a. To have coordinated political engagement activity across the organisation;
 - b. To remain relevant in the policy-making and political sphere;
 - c. To bring stakeholders together to discuss policy issues that affect them, and subsequently deliver on any desired outcome of that discussion.

Domestic Political Engagement

7. The Corporate Affairs team organises engagement with key political representatives and decision-makers in government at local, regional and national levels. The Corporate Affairs team:

National Engagement

- a. Issued Public Policy Bulletin on the appointment of Boris Johnson MP as Prime Minister and the subsequent Government reshuffle, alongside the REM office.

- b. Drafted letters of congratulations on behalf of the Policy Chair to the new Prime Minister and new Ministerial appointees.
 - c. Briefed and accompanied the Policy Chair for a meeting with Lord McFall, Senior Deputy Speaker of the House of Lords, and Lord Sharkey, Chairman of the EU Financial Affairs Sub-Committee;
 - d. Contributed to the Lord Mayor's briefing ahead of a meeting with Andy Burnham, Mayor of Greater Manchester;
8. The above links to the following Business Plan objectives:
- a. To deliver clear, consistent and confident public messaging across the City Corporation;
 - b. To have coordinated political engagement activity across the organisation;
 - c. To remain relevant in the policy-making and political sphere;
 - d. To bring stakeholders together to discuss policy issues that affect them, and subsequently deliver on any desired outcome of that discussion.

International Engagement

9. The Corporate Affairs team assists the City Corporation's overseas engagements undertaken by the Policy Chair and Lord Mayor. The Corporate Affairs team:
- a. Drafted the Policy Chair's speaking remarks for India Day, held at Mansion House;
 - b. Drafted the Policy Chair's speaking remarks for the Freedom ceremony of HE The Ambassador of Panama;
10. The above links to the following Business Plan objectives:
- a. To deliver clear, consistent and confident public messaging across the City Corporation.

Think Tanks and Third-Party organisations

11. As part of the City Corporation's engagement with think tanks and other external organisations, the Corporate Affairs team:
- a. Drafted the Policy Chair's speaking remarks for the annual Bright Blue conference, hosted at Guildhall, which featured the now former Secretary of State for Education Damian Hinds MP, as the Guest Speaker;
 - b. Continued working with the Fabian Society on its report '*Using Arts and Culture to Enable Deprived Communities to Thrive*', which is sponsored by the City Corporation;
 - c. Drafted the Policy Chair's speaking remarks for the Re-Source UK conference on renewable energy.
12. The above links to the following Business Plan objectives:
- a. To bring stakeholders together to discuss policy issues that affect them, and subsequently deliver on any desired outcome of that discussion.

Party Conference

13. In preparation of the City Corporation's annual programme at the major political party conferences, the Corporate Affairs team:
 - a. Finalised the general organisation of Party Conference activity for 2019, including think tank partnerships, private roundtables, open fringe event, sit-down dinners and general logistics.
 - b. Organised the Policy Chair's engagement programme at Party Conference.
 - c. Finalised the briefing packs for all members and associated agenda for verbal pre-conference Member's briefing

14. The above links to the following Business Plan objectives:
 - a. To remain relevant in the policy-making and political sphere;
 - b. To bring stakeholders together to discuss policy issues that affect them, and subsequently deliver on any desired outcome of that discussion.

Priorities for the next quarter

15. Priorities for the Corporate Affairs team over the next four months are:
 - a. Delivering the City Corporation's attendance and activities at the Autumn party conferences.
 - b. Engaging with the new Government in place
 - c. Organising the third tranche of London Borough engagement for the Policy Chair.
 - d. Continuing to effectively communicate **(a)** Brexit messaging and associated risks/opportunities and **(b)** the London Fundamentals messaging, to key political stakeholders
 - e. Monitoring developments between the UK and the EU ahead of the October 31st Brexit deadline;
 - f. Continuing with the sports engagement programme which is the subject of a separate report to this Committee, every quarter.

Jan Gokcen

Corporate Affairs Officer

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Committee(s)	Dated:
Public Relations and Economic Development Sub-Committee	10 September 2019
Subject: Parliamentary Team Update	Public
Report of: Paul Double, City Remembrancer	For Information
Report author: Emma Wade, Senior Parliamentary Engagement Officer	

Summary

This report updates Members on the main elements of the Parliamentary Team's activity in support of the City of London Corporation's political and parliamentary engagement. An oral update will be provided at the meeting on the Government's Brexit parliamentary programme.

This report is written with reference to the top line parliamentary objectives and deliverables of the Remembrancer's Office Departmental Business Plan 2019-20. For the Committee's reference, these are set out in the appendix.

This report covers the period since the last meeting of the Public Relations and Economic Development Sub Committee on 2 July. Parliament rose for the Summer on 25 July and politicians will have returned to Westminster by the time of the sub-committee's meeting.

Recommendation

Members are asked to:

- Note the report.

Main Report

Brexit legislation (Objective 1)

1. Following Boris Johnson's election as Conservative Party leader and appointment as Prime Minister, the office has continued to monitor parliamentary developments, particularly in relation to Brexit. A briefing note prepared by the Office was circulated to Members of the Policy and Resources Committee and PRED Sub-Committee, which analysed possible scenarios in relation to a vote of no confidence, a General Election, second referendum and potential Brexit 'no deal' outcome. A Public Policy Bulletin was issued regarding prorogation ahead of a Queen's Speech, which is scheduled for 14 October.
2. The Office continues to examine Brexit legislation, both primary and secondary. The Office will, in conjunction with other departments, continue to engage with parliamentarians where legislation impacts on the interests of the City

Corporation and its stakeholders. The Remembrancer regularly updates the Financial Markets Law Committee on parliamentary aspects of Brexit.

City Corporation legislation (Objective 2)

3. Following approval by London Councils' Transport and Environment Committee on 21 March, the Private Member's Bill relating to air quality has been further developed. A parliamentary engagement plan will be triggered as soon as the Bill is introduced. Lord Tope (a vice president of London Councils) has indicated his willingness to act as Sponsor. A meeting was held with House officials on 20 August to discuss technical procedural and drafting aspects and the aim is to have a formal First Reading before the next recess which now begins on 11 September.
4. Following the decision of the Court on 25 April that the City Corporation's three wholesale markets should be relocated, work on a private bill relating to the relocation of the City Corporation's markets is being further developed. The Remembrancer wrote to relevant MPs, All-Party Parliamentary Groups, Committees, and GLA Assembly Members to draw their attention to the public consultation. The Remembrancer and Director of the Markets Consolidation Programme will shortly meet with the Chair of the Markets All-Party Parliamentary Group (who is likely to have a role in the promotion) to discuss procedural aspects of the City Corporation's plans.

Parliamentary and Government inquiries (Objective 3)

5. Working with Innovation and Growth, the Office submitted written evidence to the Treasury Select Committee's inquiry into 'Decarbonisation of the UK economy and green finance'. The submission noted the City Corporation's role in the launch of the Green Finance Institute and the need to tackle barriers to capital deployment to enable the growth of green finance.
6. Further to the submission, initial conversations have taken place with the clerk of the Treasury Select Committee in advance of an hearing on 3 September at which Rhian-Mari Thomas, CEO of the Green Finance Institute will give evidence. The Office has provided strategic support to the Institute with witness preparation before the session.
7. The Office is preparing submissions to several select committee inquiries, including into UK-China trade (International Trade Committee), puppy smuggling (Environment and Rural Affairs Committee), the UK's strategic engagement in Africa (Foreign Affairs Committee), and prosperity, peace and development in sub-Saharan Africa (Lords International Relations Committee) as well as to the Immigration White Paper consultation.

Responding to issues raised in Parliament (Objective 4)

8. The Office provided briefing notes to relevant MPs ahead of the Westminster Hall debate on the UK's trade and investment strategy. Leading the debate, Julia Lopez (Con) raised a number of key issues in relation to the financial and

professional services sector, including the prospect of EU equivalence arrangements, and the emergence of the City of London as a sustainable development hub.

Enhancing Parliamentary engagement (Objective 5)

9. The Office organised and supported a lunch in Parliament hosted by International Trade Committee member Julia Lopez which focused on global opportunities for UK financial services. The Corporation's Nick Collier led a delegation of senior industry representatives, from a range of FPS sub-sectors. Other Conservative MPs who are also members of key strategic Select Committees attended. They included – Simon Clarke (since appointed Exchequer Secretary to the Treasury), Ranil Jayawardena (since appointed Conservative Party Vice Chairman), Steve Baker (seeking re-election as Chairman of the ERG), Marcus Fysh and Lee Rowley.
10. The Office provided the briefing for, and attended, the Policy Chair's meeting with Chris Leslie, Change UK Trade and Treasury Spokesperson. A further briefing was requested by Leslie on the launch of the Green Finance Institute, which has since been provided.
11. The Office has provided the briefing for, and attended, the Policy Chair's meeting with Tom Tugendhat (Con), Chair of the Foreign Affairs Select Committee. The purpose of the meeting was to discuss the City Corporation's international engagement programme in connection with the Committee's ongoing inquiry into 'Global Britain'.
12. A member of the team attended the SNP's Westminster summer reception. Preparations are underway for another industry roundtable with the SNP in November, to be co-chaired by the Policy Chair and Westminster Leader Ian Blackford, focusing on global trade.
13. A member of the team, along with a colleague in Innovation and Growth, attended the launch of the APPG for Digital Skills on 17 July. The Group is chaired by Julie Elliott (Lab), and sponsors include BT, City and Guilds, Google, and The Education Technology Association. Initial conversations have been held with the Group's Secretariat to discuss the possibility of engaging with the Lord Mayor's digital skills agenda.
14. The Office co-ordinated, with colleagues from the Corporate Strategy Team, Innovation and Growth and Mansion House, a co-contribution from the Policy Chair and the Lord Mayor to a booklet on digital skills, produced by the APPG on the 4th Industrial Revolution, chaired by Alan Mak (Con).
15. The Office facilitated a meeting between the Innovation and Growth Research Team, and House of Commons Library researchers, to discuss current workstreams, upcoming research publications, and areas of mutual interest.
16. Discussions have been had with Treasury Select Committee clerks regarding the Committee's forward programme of work, following the appointment of its Chair,

Nicky Morgan, as the new DCMS Secretary of State. The Office will seek a meeting between the new Chair and the Chair of Policy and Resources when the House returns in September.

GLA and the devolved institutions (Objective 6)

17. Working with Open Spaces, the Office is preparing a submission to the GLA Environment Committee's inquiry into green spaces.
18. Caroline Russell (Green), the chair of the GLA's Environment Committee, has accepted a meeting to brief her on the City Corporation's air quality initiatives, including the air quality Bill.

Key priorities over the next month

19. The Remembrancer will attend the City Corporation Party Conference dinners, and one member of the Parliamentary Team will cover each conference to provide reports on matters of City interest, with particular focus on the fringe events.
20. Work will continue in support of the markets' relocation programme and the introduction of private bill, and on the private member's bill on air quality.
21. Following the Government reshuffle, the Office is undertaking a re-assessment of key parliamentary stakeholders, with a mind to enhancing City Corporation parliamentary engagement across a range of issues. In addition, meetings are being planned between the Policy Chair and the following MPs:
 - Wes Streeting (Lab), member of the Treasury Select Committee and Deputy Chair of the APPG on Wholesale Finance, to discuss the work of the APPG and opportunities for further engagement;
 - Chuka Umunna (Lib Dem), spokesperson for Foreign and Commonwealth Affairs, International Development and International Trade;
 - Yvette Cooper (Lab), Chair of the Home Affairs Select Committee, to discuss the UK immigration system, particularly in relation to the City Corporation's recent visa research;
 - Members of the International Trade Select Committee as part of a roundtable briefing session on the City Corporation's international engagement programme. This is being co-ordinated following the meeting between the Policy Chair and Angus MacNeil (SNP), the Committee's Chair.
22. Progress of the following relevant legislation is awaited, but given the developments on prorogation, this is now notional in the current session:
 - Financial Services (Implementation of Legislation) Bill (Commons Report Stage);

- Immigration and Social Security Co-ordination (EU Withdrawal) Bill (Commons Report Stage);
- Trade Bill (Commons consideration of Lords amendments);
- Agriculture Bill (Commons Report Stage);
- Fisheries Bill (Commons Report Stage).

10 September 2019

Emma Wade

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Appendix: Parliamentary Team Objectives

1. Propose amendments or new clauses to Brexit-related legislation to reflect City Corporation views and report on the progress of such legislation to Members.
2. Draft and secure the passage through Parliament of City Corporation legislation, with a particular focus on securing legislation on relocating the City's markets and gaining support for the provisions included in a Private Member's Bill on air quality.
3. Make submissions to Parliamentary committee inquiries into relevant City Corporation issues in collaboration with the Economic Development Office (now Innovation and Growth) and other departments.
4. Respond to any issues or concerns raised in Parliament in either debates or tabled questions through briefing relevant MPs and Peers.
5. Enhance Parliamentary engagement through direct contact with members of both Houses on key issues and with relevant All-Party Parliamentary Groups.
6. Enhance engagement with the Greater London Assembly and the devolved institutions on matters of interest to the City through briefings and submissions to relevant inquiries.

Committee:	Date:
Public Relations & Economic Development Sub-Committee	10 September 2019
Policy & Resources Committee	19 September 2019
Subject: Preparing for a Deal and a No Deal Brexit in financial and professional services	Public
Report of: Director of Innovation & Growth	For information
Report authors: Callum Anderson, Senior Business and Policy Adviser, Innovation & Growth Directorate	

Summary

Brexit creates both risks to manage and opportunities to seize. How the City responds will shape its position in the global economy for decades to come. The City of London Corporation has a central role in supporting and championing the City at this critical time. Focusing on the right priorities, working closely with partners, and making the most of our assets will be vital. This paper sets out the work being undertaken by Innovation & Growth (IG) so that the City Corporation can help the City thrive and forge ahead through any Brexit scenario.

Recommendation

Members are asked to note the approach.

Main Report

Background

1. London's supremacy as a leading global centre for financial and professional services (FPS) is constantly under threat from rivals. But a series of challenges will have a major impact in coming few years. Most obviously, Brexit is likely to fundamentally change our trading relationship with the European Union. But even before the June 2016 referendum, new risks and opportunities for the UK's competitiveness were appearing. Technological advances, the rise of East Asia and changing public expectations are transforming the business environment.
2. The City Corporation is uniquely positioned to help the City retain and develop its leading position. Under our vision to "Support a Thriving Economy", we seek to deliver increased City competitiveness in FPS. As well as playing a leading role in Brexit thinking and preparations, we have been focusing ever more of our work in areas that will help drive the City's success after Brexit. This will underpin the City's future, whatever our relationship with Europe.

Deal or No Deal

3. All three broad Brexit outcomes remain possible: leaving without a deal, leaving with a deal of some variety and remaining in the EU for an extended period. The City Corporation's FPS work is focusing on the first two scenarios.

No deal scenario

4. In the case of no deal, FPS would immediately lose passporting rights to the Single Market. Firms based in the UK have made preparations to service their clients. However, UK firms have significantly less access to EU markets than firms from our major competitor countries, creating both immediate cliff-edge issues and an ongoing competitive disadvantage.
5. Therefore, we continue:
 - to stress the importance of agreeing a Brexit deal with a standstill transition period; and
 - to push for mitigating measures to deal with cliff edge issues, should no deal occur.
6. Given the increasing likelihood of no deal, drawing on the work of the IRSG, the City Corporation is calling for the UK to seek temporary equivalence and data adequacy decisions.

Deal

7. Should a deal be struck, the UK will need to negotiate the terms on which the City can access the EU market. The current equivalence regime is unsatisfactorily partial, politicised and precarious. The City Corporation, through the IRSG, is working on a cross-industry position, recommending a new bilateral access framework which respects regulatory autonomy of the UK and EU and builds on the EU's third country regime ("equivalence").
8. We will also need to continue to be influential in debates on future EU financial services policy and legislation, which we will track and act upon via the EU Regulation Standing Committee of the IRSG, and through our Brussels office.

Beyond Brexit

9. While Brexit is the immediate challenge, the City's long-term success will be determined by its ability to innovate and promote its products and services. We cannot wait until Brexit is settled to seek to drive this work forward.
10. The UK government and regulators need to signal that the UK is an attractive place to do business as it has a strong regulatory framework that has the flexibility to enable innovation to thrive. We will also be working with firms and trade associations to understand what the City's key asks would be, across tax, regulation and access to talent.

11. IG is building on our recent restructure to focus our work on four core areas, so that the City Corporation maximises its impact in the most important areas:

- **An innovative ecosystem** – The City Corporation has a key role in helping London remain at the forefront of global innovation in FPS, including:
 - FinTech: supporting the next Lord Mayor’s FinTech 3.0 theme, developing a strategic review of the FinTech landscape with Innovate Finance, launching collaborative innovation pilots for individual FinTech verticals and supporting US VC investment into UK scale-up FinTech.
 - Environmental, Social and Governance (ESG): backing the launch of the Green Finance Institute, so that the UK will be at the forefront of sustainability and delivering the Social Impact Institute.
 - Cyber: building on the work of Cyber-Griffin to establish the City’s role in supporting UK cyber policy.
- **A world-class business environment** – Enabling business success through access to skills, resilient business infrastructure, and effective regulation underpinning global competitiveness. We will continue to focus on the need for a world-class visa system.
- **Access to global opportunities** – Strengthening global market access, ensure UK FPS exports reach priority markets and attract high-value inward investment to the UK. IG is strengthening its trade policy work to support DIT on trade agreements, HMT on Global Financial Partnerships, and seize other opportunities to develop FPS trading corridors. At the same time, the EU relationship will remain crucial. Our Brussels office has a central role in building relationships and good policy outcomes over the coming years.
- **Global recognition of the UK’s FPS offer** – Ensuring the UK’s world-leading FPS offer is recognised in key markets globally, attracting talent and businesses to the UK. Our new website – The Global City – has been widely welcomed in providing a strong and attractive platform for promoting the UK’s offer in the face of strong competition. We are working with London/UK partners to build out this showcase of UK expertise.

Conclusion

12. The City is about to go through the most significant period of change in a generation. How we navigate these challenges will have profound effects on the City’s place in the global economy, and the contribution it is able to make to the well-being of people in the City, London and the wider UK. However, the City’s underlying fundamental strengths mean that with the right kind of support, and the City Corporation playing its full part, it can stay ahead and continue to thrive in the years to come.

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Committee(s): Public Relations & Economic Development Sub-Committee Policy & Resources Committee	Date(s): 10 th September 2019 19 th September 2019
Subject: US campaign	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Decision
Report author: Lisa Dimon, Head of Americas & Banking, Innovation & Growth	

Summary

UK and US financial and professional services drive the global economy. Together, they make up over 41% of global financial services exports. Following Brexit, the relationship with the US will become even more important to UK Financial and Professional Services (FPS). Already, the US is the UK's most important trading partner in insurance, and its second largest trading partner in financial services (after the EU). Over time, this trading relationship can become more dynamic. Building on our strong engagement, the Corporation can be at the heart of this acceleration. We will bring an updated, more ambitious and integrated US Strategy to Members in the autumn.

As a first step, we are developing a new cross-Corporation campaign for the US. The focus of the new campaign will be to increase US Venture Capital (VC) investment into the UK; specifically, into UK FinTech businesses to support their scale up ambitions and the ongoing growth of the sector in the UK. The campaign approach will also allow IG to have a stronger impact when supporting both the Lord Mayor and Chair of Policy & Resources. The campaign will be delivered alongside our continued political and regulatory engagement with the USA.

The new campaign and cross-Corporation approach to the US will be visibly manifested in October 2019 in a joint visit of the Chair of Policy & Resources (as the City Corporation lead for regulatory and policy issues) and the Lord Mayor (as the City Corporation lead for trade and investment) to New York where they will jointly host a VC focussed roundtable. This will be followed by a second joint visit in May 2020 (as agreed at the recent MVAC meeting). The Chair of Policy & Resources and Lord Mayor will also continue regular individual visits to the US. We will also utilise the Trade Dinner on 5th September (with a senior VIP from the US in attendance) to engage at a senior level on the concept of the campaign as well as discussing with relevant VC and FinTechs in attendance.

Recommendation

Members are asked to:

- Approve the new IG campaign approach
- Note next steps for US engagement

Main Report

Background

1. The US remains a priority market for the City of London Corporation and following Brexit, the relationship with the US will become even more important to UK Financial and Professional Services (FPS). The UK and the US are each other's single largest foreign investors and more than 1 million US citizens go to work for British firms every day and over a million British citizens are employed by US-based companies in return.
2. Over the last 12 months, the City Corporation has seen an increase in engagement and activity with the US; with a particular focus on opportunities for FinTech.
3. The CPR and LM have made 5 visits to the US in the last 12 months; the Policy Chair has led three policy-focused delegations to Washington and New York and the Lord Mayor has led two FinTech focussed delegations to San Francisco, and Chicago and Atlanta. Other key activity has involved the City Corporation hosting the US Treasury for a business focused roundtable and a market access focussed roundtable for UK FinTech's looking to enter the US.
4. At the same time, the Economic Development Office has transitioned into Innovation & Growth which has seen the department take a new approach to cross-team working and the introduction of campaigns.

Opportunity

5. Continued City Corporation engagement with UK FinTech's has revealed a strong interest in US VC investment. Whilst the US is currently the leading provider of international VC investment into UK FinTech (representing 24.5% of 2018 UK deal volume - according to Innovate Finance, April 2019), there is a clear opportunity to increase this figure and enable more UK firms to access capital. This is ever more important as the UK FinTech sector is expected to double in size by 2030 (according to DIT's State of the Nation report, April 2019).
6. Early conversations with key City Corporation partners such as HMG, Innovate Finance and London & Partners has seen widespread support of the City Corporation focusing in on the specific areas of US VC investment. Key stakeholders see this as an important area of focus to support the growth of the UK's FinTech sector and to enable the UK to benefit more widely from the wide pool of capital available in the US. By increasing the number of US investments into UK business, the City Corporation also hopes to encourage more US VCs to also expand their physical presence in the UK. Partners see the value of the City Corporation's existing network across the US, key relationships with business and government, and ability to convene, as unique attributes and levers to be able to deliver this work. We will also leverage our Partner's expertise for the campaign such as London & Partner's role in tech and Innovate Finance's FinTech connections.

7. The new campaign approach will bring together the work and expertise of multiple Corporation teams, including Trade and Investment, Regulatory Affairs and Research, to build relationships with US VC companies and encourage them to invest in UK FinTech businesses.
8. The campaign will be delivered to leverage existing Corporation activity and use existing assets and tools across teams such as market visits, intelligence sharing and relationship management, as well as the development of a new value proposition that promotes the UK FinTech sector and seeks to help US VC firms overcome any potential UK market entry barriers.
9. The value proposition will be developed following ongoing evidence gathering which will see the City Corporation conduct research interviews with US VCs and UK FinTech's (looking to raise in the US) to further understand potential opportunities and challenges. The City Corporation offer might include: the development of promotional material targeting US VCs that showcases the UK FinTech opportunity, hosting incoming VC delegations in the City, introducing UK FinTech's to US VCs during City Corporation trade delegation visits, convening roundtable discussions on specific market access barriers for VCs looking to come to the UK and the ongoing relationship management of key stakeholders and firms.
10. The campaign will also draw upon the City Corporation's existing strong network of partners such as Innovate Finance, TCUK, Department for International Trade, HMT, London & Partners, the US Embassy, regulators and trade associations, who have already voiced their support for the campaign.
11. The new campaign and cross-Corporation approach to the US will be visibly manifested in October 2019 in a joint visit of the Chair of Policy & Resources and the Lord Mayor to New York where they will jointly host a VC focussed roundtable, amongst other key activity. This will be followed by a second joint visit in May 2020 (as agreed at the recent MVAC meeting). The Chair of Policy & Resources and Lord Mayor will also continue regular individual visits to the USA.
12. The campaign will be developed and delivered alongside our continued political and regulatory engagement with the USA, such as the Policy Chair's role as chair of TheCityUK's Trans-Atlantic trade association coalition, as well as ongoing trade and investment work with the USA. All these aspects will be included in an updated, more ambitious and integrated US Strategy that we will bring to Members in the autumn.

Conclusion

13. The new US campaign will build on the City Corporation's existing engagement with the US, as well as supporting the growth of the UK FinTech sector. The campaign will allow the Corporation to focus in on a specific theme and draw upon the expertise of numerous teams in new collaborative ways, such as joint senior visits to market.

14. Through its relationships across the US and with UK FinTechs, as well as support from HMG and Innovate Finance, the City Corporation is ideally placed to build relationships with US VCs, promote opportunities in UK FinTech and identify and support on any potential market access barriers.

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Committee(s)	Dated:
Public Relations & Economic Development Sub-Committee Policy & Resources Committee	10 th September 2019 19 th September 2019
Subject: Japan FPS Strategy Update	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Decision
Report author: Aimee Burnham, Innovation & Growth	

Summary

Japan is the world's third largest economy, and one of the most important partners for the City - \$12bn of FDI in London, 65 Japanese FPS firms employing over 12,000 people. Japan has a strong savings/insurance culture, with \$16tr of domestic savings assets which London can help diversify through global asset management, green finance, capital markets and fintech investment. Japan's sophisticated banks and other financial institutions are also good clients for UK FPS innovation.

However, the prospect of Brexit is unsettling for conservative Japanese business, whilst tech and innovation are opening new opportunities. The City Corporation has an important role to play in reassuring current investors, encouraging new ones, sustaining current FPS trade and shaping post-Brexit arrangements. Our strong relationships with Japanese business, government and the Tokyo Metropolitan Government provide the channels for influence.

Officers have updated the City Corporation's Japan FPS Strategy to include workstreams and delivery channels for Members to agree and this is included in the annex of this report.

Recommendation

Members of the Public Relations and Economic Development Sub Committee are asked to recommend to the Policy and Resources Committee that:

- The updated City of London Corporation Japan Strategy including Workstreams and Delivery Channels in Annex A be approved.

Main Report

Background

Members have approved the developing international strategy for IG (previously EDO) as part of the Business plan. The Mayoral Visits Advisory's Committee agreed in July for the Lord Mayor to visit Japan in 2020 and this sets out the strategic framework for that visit and wider engagement.

Objectives

The City Corporation's Japan Strategy will focus on four core objectives:

1. **Investment.** To preserve current Japanese investment stock in the City and build new pipelines for future investment.
2. **Trade.** To promote to Japan the London/UK FPS offer, especially innovation.
3. **Influence Future Regulatory Co-operation and Trade Policy,** to protect and enhance FPS trade and investment.
4. **Partnerships.** To build strong business, government and London-Tokyo partnerships to deliver investment, trade and regulatory cooperation.

Financial Implications

The estimated cost for the Japan Strategy is approx. £20k annually to come from existing resources within local risk budget. This figure covers only the programme element of the strategy but excludes staff costs and costs incurred by other City of London departments; for example, the Lord Mayors visit is budgeted for from the agreed MVAC budget held by Mansion House.

Corporate Implications

This strategy delivers against 7b and 7c of the Corporate Plan under the objective 'To Support a Thriving Economy'.

Conclusion

Japan is a top tier priority market for the City of London Corporation, with large investments in the City, and at a crucial time through Brexit, it is important for the City Corporation to increase engagement with key stakeholders and investors to protect existing investments and support the growth of new trade and investment opportunities. Members are now asked to review the updated City Corporation Strategy on Japan and approve the changes.

Aimee Burnham

Adviser – Rest of World and Professional Services

Innovation & Growth

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Annex A

Japan Strategic Plan

To support and deliver against our core objectives the City of London Corporation will focus on four work streams:

Strategic Workstreams

1. Investment

- **Retention:** Japan has built up \$12 billion of FPS investments in London over the last few decades with over 65 firms present here including mega banks (MUFG/SMBC/Mizuho), insurance companies and asset managers. Strong engagement by the City Corporation at all levels with key institutions is important to demonstrate the value we place on these investments. Our focus will be to stabilise Japanese investment stock in London and in time increase.
- **Fin Tech:** represents a large opportunity for future investment into London and the UK. Japanese mega banks are looking for the talent and ecosystem in London to drive internal innovation. Innovation and Growth directorate supported MUFG in 2018 to establish an Innovation office in the square mile and there is further opportunity to persuade other mega banks to use London as their base for innovation. IG will focus on marketing of the London/UK offer to key institutions to generate further FDI in London.
- **Green Finance/ESG:** Green finance in Japan is gathering momentum and there is an opportunity to promote the UK's capabilities in ESG investing and the innovative products being developed. GPIF, the world's largest pension fund, for example, is taking an ever stronger interest in ESG investing. Engaging Pension funds like GPIF and other major asset owners in ESG and the Green agenda is a large investment opportunity for London. Alderman Sir Roger Gifford is already engaged in promoting UK expertise in Japan and is invited annually as guest speaker by the British Embassy to their Green Finance Seminar in Tokyo, as well as advising Tokyo Government on establishing a Green Finance Initiative based on the UK's model. We will focus on presenting the London offer to Japanese institutional investors to create inward flows of capital.
- **Capital Markets** and partnership between LSEG/Japan Stock Exchange to support dual listings is also an area for growth. In 2018 we successfully worked with LSEG to launch the first ever ETF dual listing and will be supporting LSEG/JPX to create further listings.

2. Trade

- **Asset Management:** Japan has a mature market with \$16 trillion of savings, an ageing population and low interest rate environment. There is an urgent need to offer a variety of products and domestic players don't have the skills or expertise to provide this. Japanese Government wants to attract foreign entrants to diversify these products and skills base representing an export opportunity. Tokyo Government has set an ambition of attracting up to 40 foreign asset management firms by 2020. In 2018 the Lord Mayor took a strong asset management delegation to Tokyo and announced the opening

of UK firm, Alegrbis investments but demand is high for further UK expertise. Our focus will be on supporting Asset Managers to access Japan and drive new export wins.

- 3. Influence Future Regulatory Co-operation and Trade Policy.** Post Brexit there will be an urgent need to create a new trading relationship and partnership with Japan in services. Working with HMG, and through bodies like TCUK, we will support the development of the future trading partnership to ensure regulatory collaboration and cooperation. This includes working with HMT on the Global Financial Partnership with Japan and supporting Financial Dialogues through business and industry engagement.
- 4. Partnerships.** Our aim is to ensure London is the FPS partner of choice for Tokyo. Tokyo Metropolitan Government has asked for the City of London's cooperation to work on areas of shared trade interest to provide mutual benefits to both cities on Asset Management, Fin Tech and Green. We will focus on ensuring a continuing and regular dialogue at senior level with the Governor of Tokyo, the new Financial Mayor of Tokyo and other key stakeholders through the Lord Mayor, Policy Chair and other senior members.

Delivery channels

Senior level City engagement: Lord Mayor, Policy Chair and other senior member engagement with key Japanese stakeholders in London and Japan including the Governor of Tokyo and new Financial Mayor of Tokyo. Regular meetings with Japanese Ambassador in London, Bank of Japan and other key stakeholders (see Annex B).

Business Relationship Management of key Japanese existing and future investors in London and Tokyo, working with British Embassy Tokyo and Dept of Trade as well as TheCityUK to align and share intelligence.

Outbound and Inbound visits, including a yearly Lord Mayoral visit to Japan and other senior member and officer activity. In the last two years IG, working with Mansion House team, has delivered two outward trade visits to Tokyo with the Lord Mayor, including a strong delegation of 10 Asset Management firms (one of which announced a new office in Tokyo, Alegrbis Investments). IG has also led on three high level inward delegations over 2018/19 including the Governor of Tokyo (Koike san) and i planning a significant event in Q1 2020 with Tokyo Government.

Memorandum of Understanding (MoU)

The MoU between City Corporation and Tokyo Government signed in 2017 provides a strong platform to support TMG ambitions to develop Tokyo as a Financial Centre and related collaboration and trade opportunities in areas like Asset Mgt. The MoU has supported a renewed partnership between London Stock Exchange and Japan Exchange Group to support dual listing opportunities and the first dual listing of an ETF took place this year.

Japan Market Advisory Group

The Policy Chair is a member of The City UK's Japan Market Advisory Group, which meets quarterly and chaired by Sir David Wright, ex-British Ambassador to Japan. The City of London Corporation has an opportunity to both support the work of this group and also influence the future trade policy relationship by influencing JMAG recommendations to UK Government.

UK-Japan Financial Dialogue and HMT trade policy

In December 2018 we hosted the UK-Japan Financial Dialogue Business Roundtable and we continue to work closely with HMT on the future bilateral relationship and trade policy agenda under Global Financial Partnerships, which are important initiatives for the bilateral relationship.

Marketing and Communications.

Integrated marketing and communications support will help drive greater reach and influence with target in-market audiences to both reinforce the UK's overall brand offer for FPS, and to embed key messages around the specific workstreams outlined. Leveraging both local partnerships and UK Government networks will be an effective and efficient mechanism to build reach. Existing City of London Corporation communications streams including media relationships, COLC spokespeople, and www.theglobalcity.uk will be utilised and further communications channels including advertising, print and digital can be deployed as appropriate.

Annex B

Key Stakeholders

Japan

- Tokyo Metropolitan Govt
- Japan Exchange Group
- Japan Bankers Association
- Japan Security Dealers Association
- Japan Financial Services Agency
- Ministry of Finance; Bank of Japan;
- MUFG
- Mizuho
- SMBC
- Sompo
- Tokyo Marine
- GPIF
- Daiwa securities
- Nippon securities
- Doreming

UK

- TCUK Japan Market Advisory Group (Sir David Wright)
- Investment Association (Simon Ellis, Japan lead)
- Green Finance Institute
- Innovate Finance
- City, London University
- LSEG
- Aberdeen Standard Life
- Schroeder's
- Octopus Ventures
- HSBC
- Barclays
- Janus Henderson
- Algebris Investments
- Ballie GiffordMotive Partners

Annex C

Timeline

2018

- Jan Tokyo Met Government working level visit to London
- April Alderman Sir Roger Gifford chaired Green Finance seminar in Tokyo
- July Lord Mayor visit to Tokyo supported by delegation of asset managers.
- Oct Governor of Tokyo visit to London at the end of October 2018 accompanied by a financial services delegation.
- Dec Hosted the 2nd UK- Japan Financial Dialogue in Guildhall in collaboration with TheCityUK and organised a business event ahead of the FD

2019

- February LM visit to Tokyo
- March Hosted Japan Security Dealers Association inward visit to London
- May Alderman Sir Roger Gifford Green Finance seminar in Tokyo
- June Secondment to ColC from TMG
- July New FS mayor visit to London
LM to host LSEG Japan Advisory Group at MH for lunch (with advisory group, UK Ambassador to Japan, and Sir Roger Gifford)
CPR speech at celebratory market opening at LSE

2020

- Jan Support 3rd UK Japan Financial Dialogue with Business event working with TCUK
- April Green Finance Seminar in Tokyo by Alderman Sir Roger Gifford
- May LM visit to Tokyo /Osaka
- September FinSum Fintech summit Tokyo
- Oct Return LM visit to Tokyo

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Committee	Dated:
Public Relations & Economic Development Sub-Committee	3 September 2019
Subject: The City of London Corporation's involvement with the Professional and Business Services Council	Public
Report of: Damian Nussbaum, Director of Innovation & Growth	For Information
Report author: Mary Kyle, Head of FPS Technology, IG	

Summary

The following report provides Members with an overview of the City of London Corporation's (City Corporation) involvement with the Professional and Business Services Council (PBSC). The PBSC provides a forum through which the professional and business services sector and government can engage and an opportunity for the City Corporation to both represent the sector and facilitate positive collaboration and action amongst key stakeholders.

In addition to sitting on the main council the City Corporation is also represented on a number of working and sub-groups of the PBSC including the Market Access Group, the Technical Trade Group, the Skills & Inclusion Working Group and the Apprenticeships Sub-Group.

Recommendation

Members are asked to:

- Note this report.

Main Report

Background

1. The PBSC was originally set up as an industry working group to represent the views of the Professional and Business Services (PBS) sector. It was then approached by government to feed into work being carried out by the Department of Business, Energy & Industrial Strategy. As a result, the Council is co-chaired by both a business and government representative.
2. The PBSC's mandate is to inform and challenge government on the key issues facing the professions, influence its thinking and gain insight into the future direction of the sector and the UK economy more generally. Business representatives within the PBSC are drawn from the following sectors:
 - Legal services
 - Accountancy
 - Management consultancy
 - Advertising and corporate communication services

- Architectural and technical consulting
 - Recruitment and human resource services
3. The Council currently operates through three main working groups:
 - (i) Market Access – led by Freshfields Bruckhaus Deringer and focused on the challenges faced by the sector in light of Brexit.
 - (ii) Skills & Inclusion – led by PWC and exploring the skills needed to allow the sector to continue to thrive and the steps required to improve inclusivity across the sector.
 - (iii) Importance of Place – led by AECOM and looking at the role of professional and business services across the UK.

Current Position

4. The City Corporation engages with the PBSC through a number of points of contact and is represented on the following groups:
 - (i) Main Council – Policy Chair
 - (ii) Market Access Working Group – Policy Chair
 - (iii) Technical Trade Group – Duncan Richardson (Innovation & Growth)
 - (iv) Skills & Inclusion Working Group – Claire Tunley/Graham Sutton (Innovation & Growth)
 - (v) Apprenticeships Sub-Group – Claire Tunley/Graham Sutton (Innovation & Growth)
 - (vi) Sherpa meetings – Mary Kyle (Innovation & Growth)
5. The Main Council meets on a quarterly basis and is currently co-chaired by Nick Owen (Deloitte) and Andrew Stephenson MP, although new government representation is expected to be confirmed over the next few weeks. The meetings are regularly attended by government ministers and representatives and provide a forum through which the PBSC can bring its expertise to bear in influencing government thinking on matters that impact the sector specifically or as part of the wider economy more generally.
6. The Council is currently working with government to explore a ‘sector deal’; an agreement of actions and measures that both the PBS sector and government undertake to increase productivity and competitiveness of the sector. The Council has written to the Prime Minister requesting continued support for the deal which includes proposed initiatives to drive trade in PBS and increase social mobility into the sector. The Council is also in the process of finalising a ‘fact and figures’ document reflecting the component parts of the PBS sector and its role in enabling industry across both the UK and globally.
7. The Market Access Working Group has primarily focused on increasing the profile of PBS in the Brexit negotiations. This has included providing advice to government on the potential impact of Brexit on the PBS sector and preferred steps to be taken as part of the negotiations. It is also currently working on messaging around what practical actions government can take to mitigate the negative impacts of a no-deal exit from the EU.

8. The Technical Trade Group operates as a sub-group of the Market Access Working Group and provides a forum to coordinate between the government and professional services firms on the subject of trade policy and promotion. The Technical Trade Group is hoping to provide input to the Department of International Trade's Strategic Trade Advisory Group (STAG). The STAG is a cross-economy body of industry heads which exists to shape government's post-Brexit trade policy for third countries.
9. The Skills & Inclusion Working Group has recently been most focused on issues relating to apprenticeships (see below), immigration and social mobility to develop domestic skills supply and vocational routes into the sector; to promote access into the UK for individuals possessing the skills required across the sector and providing opportunities to share best practice on increasing social mobility.
10. The Apprenticeships Sub-Group sits under the Skills & Inclusion Working Group and is led by City Corporation officers. Its work has included developing evidence and identifying the issues and opportunities relating to apprenticeships in the PBS sector. It is anticipated that the PBSC will continue to provide a conduit through which recommendations on improving the apprenticeships policy and practice can be presented to government.
11. The Sherpa meetings take place every two months and provide an opportunity to discuss activity across all of the PBSC meetings and groups and attendees at these meetings are expected to deal with the day to day requests from the Council and its working groups as well as to brief Council members.

Conclusion

12. The PBSC brings together key stakeholders across the professional and business services sector and government. The engagement set out above provides the City Corporation with a good opportunity to input to government on issues affecting the sector as well as to disseminate important messaging coming out from the Council and its various working groups across our wider government and industry contacts.

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