



Economic and Cyber Crime Committee of the City of London Police Authority Board

Date: MONDAY, 14 FEBRUARY 2022
Time: 2.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy James Thomson (Chair)
Tijs Broeke (Deputy Chair)
Deputy Keith Bottomley
Graeme Doshi-Smith
Alderman Professor Emma Edhem
Alderman Timothy Hailes
Andrew Lentin (External Member)
Deputy Edward Lord
Alderman Bronek Masojada
Deputy Catherine McGuinness (Ex-Officio Member)
Dawn Wright
Michael Landau (External Member)

Enquiries: Polly Dunn
tel. no: 020 7332 3726
polly.dunn@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this public meeting at the below link:

<https://youtu.be/EfYvfCXdu5Q>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

Lunch will be served for Members in the Guildhall Club at 1pm

**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. **MINUTES**
To agree the public minutes and non-public summary of the meeting held on 4 November 2021.

For Decision
(Pages 5 - 10)
4. **PUBLIC OUTSTANDING REFERENCES**
Joint report of the Commissioner and Town Clerk.

For Information
(Pages 11 - 12)
5. **Q3 NATIONAL LEAD FORCE PERFORMANCE REPORT**
Report of the Commissioner.

For Information
(Pages 13 - 28)
6. **NATIONAL LEAD FORCE UPDATE**
Report of the Commissioner.

For Information
(Pages 29 - 34)
7. **CYBER GRIFFIN UPDATE**
Report of the Commissioner.

For Information
(Pages 35 - 38)
8. **INNOVATION & GROWTH - UPDATE OF CYBER & ECONOMIC CRIME RELATED ACTIVITIES**
Report of the Director of Innovation and Growth.

For Information
(Pages 39 - 80)

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

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

11. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) 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

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 4 November 2021.

For Decision
(Pages 81 - 84)

13. **NON-PUBLIC OUTSTANDING REFERENCES**

Joint report of the Commissioner and Town Clerk.

For Information
(Pages 85 - 86)

14. **CONCENTRIX EXTENSION - COSTED ROADMAP**

Report of the Commissioner.

For Information
(Pages 87 - 94)

15. **STAKEHOLDER ENGAGEMENT AND POLICY UPDATE**

Joint report of the Commissioner and Town Clerk.

For Information
(Pages 95 - 98)

16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

**ECONOMIC AND CYBER CRIME COMMITTEE OF THE CITY OF LONDON
POLICE AUTHORITY BOARD
Thursday, 4 November 2021**

Minutes of the meeting of the Economic and Cyber Crime Committee of the City of London Police Authority Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 4 November 2021 at 10.00 am

Present

Members:

Tijs Broeke (Deputy Chairman)
Alderman Timothy Hailes
Andrew Lentin (External Member)
Alderman Bronek Masojada
Dawn Wright
Landau (External Member)

Officers:

Angela McLaren - Assistant Commissioner, City of London Police
Chris Bell - City of London Police
Clinton Blackburn - City of London Police
Pauline Smith - City of London Police
Hayley Williams - City of London Police

Simon Latham - Director, Police Authority Team
Oliver Bolton - Deputy Head, Police Authority Team
Polly Dunn - Town Clerk's Department
Andrew Buckingham - Town Clerk's Department
Charlie Pearce - Chamberlain's Department
Mary Kyle - Innovation & Growth Department

1. APOLOGIES

Apologies were received from Deputy James Thomson, Deputy Keith Bottomley, Graeme Doshi-Smith, Deputy Edward Lord and Deputy Catherine McGuinness.

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

There were no declarations.

3. MINUTES

RESOLVED, that the public minutes and non-public summary of the previous meeting held on 7 September 2021 be agreed as a correct record.

4. OUTSTANDING REFERENCES

Members considered a joint report of the Town Clerk and Commissioner regarding public outstanding references.

RESOLVED, that the report be noted.

5. **Q2 NATIONAL LEAD FORCE PERFORMANCE REPORT**

Members received a report of the Commissioner regarding the Q2 National Lead Force Performance Report.

Numbers of people responding to surveys had been limited as users were not surveyed by telephone. The process relied on letters and email only, but this did have a free text box which allowed users to provide valuable feedback. The telephone feedback will be available with the next generation system.

The volume of users were abandoning during new registration was a concern, the Force were unable to determine the cause for this once again this would be addressed in the new service.

The chat bot had been very successful, with phase two being trialled ahead of launch scheduled for the 26 November.

Members were keen to confirm with banks the true value of the total disrupted transactions.

Noting that in March and May, the Force successfully disrupted significantly large number of transaction, Members requested further information as to what caused this (**10/2021/P**).

There was a discussion about how the answer times for calls could be decreased, as it remained a long way from its target. More call handlers were required but further efficiencies were being explored with the contractor whilst staff retention was being addressed as part of a continuous improvement plan.

Members proposed stretching the target for reducing repeat victims.

There had been a drop nationally in the number of arrests and value of seized goods – it was the professional judgement of the Force that this had been caused by COVID. There were less vehicles stopped and houses searched. Criminals were operating differently, including a shift to crypto currency.

Usage of the hub had increased; a new engagement strategy would look to improve this further.

RESOLVED, that the report be noted.

RESOLVED, that the report be noted.

6. **INNOVATION & GROWTH - UPDATE OF CYBER & ECONOMIC CRIME RELATED ACTIVITIES**

Members received an update of the Director of Innovation and Growth regarding Cyber & Economic Crime Related Activities.

Given the significant value of this work, Members wished to explore the extent to which the Force were leveraging co-branding. Many of the projects should fall under both the City Corporation and COLP branding.

Members were keen to see the benchmarking report due to be published in January 2022 as an appendix to the next meeting's submission from Innovation & Growth (11/2021/P).

The City and Force were hoping to raise their profile through collaboration with Microsoft through the digital sandbox.

Smaller FinTech firms would be approached and invited to apply to City programmes. The Assistant Commissioner felt that by utilising the City and Mayorality's convening power there would be better engagement with these smaller firms. It was suggested that a FinTech specific event could be arranged (12/2021/P).

RESOLVED, that the report be noted.

7. HMICFRS FRAUD INSPECTION

Members received a report of the Assistant Commissioner in relation to HMICFRS Fraud Inspection.

APMIS was a NCA platform used across policing to track work against serious and organised crime groups and activity the Force was undertaking to disrupt them. It was single solution to a complex environment. Forces that had APMIS (25%) were still learning their way with it. APMIS did not just include fraud but all serious organised crime.

FIM and FOM stood for Fraud Intelligence Meeting and Fraud Operative Meeting. Through the NFIB, a home was determined for any cases that did not easily fall to any specific agency.

RESOLVED, that the report be noted.

8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was one item of urgent business.

A report on Cyber Griffin had informally been shared with Members of the Committee in advance of the meeting. This report had been left off the agenda in error. In lieu of the report, a verbal update was given.

There had been an increase in service demand – with a 10% increase in request for courses delivered in-person. Cyber Griffin was reported to be meeting all national set targets. There had been a 75% change of behaviours in those who had taken part in the courses, which in turn received a 75% satisfaction rating. Locally, two of three targets had been met. The one outstanding target had been to train 7000 members of the public/businesses, but just over 6200 had at time of reporting. There was ongoing work with Bristol University to develop skills in the arena of incident reporting for cyber emergencies.

The programme had received a number of awards and was generally being recognised for its really positive work.

RESOLVED, that the update be noted.

10. 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 item(s) 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.

11. NON-PUBLIC MINUTES

RESOLVED, that the non-public minutes of the previous meeting held on 7 September 2021 agreed as a correct record.

12. NON-PUBLIC OUTSTANDING REFERENCES

Members considered a joint report of the Town Clerk and Commissioner regarding non-public outstanding references.

13. NATIONAL LEAD FORCE UPDATE

Members received a report of the Assistant Commissioner regarding the National Lead Force Update.

14. FRAUD AND CYBER CRIME REPORTING AND ANALYSIS SERVICE - NEXT GENERATION AND CURRENT SERVICE UPDATE REPORT

Members noted a report of the Assistant Commissioner in relation to Fraud and Cyber Crime Reporting and Analysis Service – Next Generation and Current Service Update Report.

15. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions in non-public session.

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

There was no other business in non-public session.

The meeting ended at 11.52 am

Chairman

Contact Officer: Polly Dunn
Polly.Dunn@cityoflondon.gov.uk

This page is intentionally left blank

ECONOMIC CRIME COMMITTEE – PUBLIC REFERENCES
CITY OF LONDON POLICE: OFFICIAL

10/2021/P	4 November 2021 Q2 NLF Performance Report	More information regarding the large number of disrupted transactions in March and May 2021, to be shared with Members.	Assistant Commissioner	<p>Completed</p> <p>The increase in bank/card disruptions in March and May 2021 are the result of two European Carding Weeks of Action (working alongside Europol and law enforcement in Hungary and Italy) and DCPCU operations involving collaboration with a cyber security company that have led to recovery of substantial numbers of compromised account details.</p>
11/2021/P	4 November 2021 Innovation & Growth	Members to see the benchmarking report due to be published in January 2022 as an appendix to the next meeting's submission from Innovation & Growth	Director of Innovation & Growth	<p>Completed</p> <p>Contained within the IG update Report</p>
12/2021/P	4 November 2021 Innovation & Growth	By utilising the City and Mayoralty's convening power there would be better engagement with smaller FinTech firms. It was suggested that a FinTech specific event could be arranged.	Assistant Commissioner	<p>In progress</p> <p>To be discussed with the Lord Mayor in the coming months.</p>

This page is intentionally left blank

National Lead Force Performance Report

Q3: October – December 2021

Agenda Item 5

Performance Assessment - Key:

The dashboard provides an assessment of City of London Police performance against the National Lead Force (NLF) aims and objectives as set out in the National Lead Force Plan 2020-2022 (NLF Plan).

The NLF Plan was approved by the City of London Police Authority in October 2020. The plan sets out how City of London Police will improve the national response to fraud. It reflects NLF's contribution and commitment to the National Fraud Policing Strategy and the National Economic Crime Centre's (NECC) five-year strategy. The NECC leads the 'whole system' to drive down the growth in fraud on behalf of the UK Government.

The NLF plan sets out five outcomes that City of London Police is seeking to achieve: -

Outcome 1 - The public has confidence in the Action Fraud reporting service

Outcome 2 - People and organisations are prevented from being victims of fraud, and victims are supported (National Fraud Policing Strategy)

Outcome 3 - Police resources are deployed efficiently and effectively against fraud threats (National Fraud Policing Strategy)

Outcome 4 - Fraudsters operating nationally are identified and offending is disrupted

Outcome 5 - Policing has the capability and capacity to detect, disrupt and deter perpetrators of fraud (National Fraud Policing Strategy)

In order to identify if these outcomes are being achieved a series of success measures for each outcome have been produced and are reported on throughout this period. The success measures related to each outcome can be found at the start of each slide alongside the current RAG assessment for the relevant success measures.

The below chart identifies the RAG assessment criteria for the success measures.

Table 1 – Success Measure Performance RAG assessment

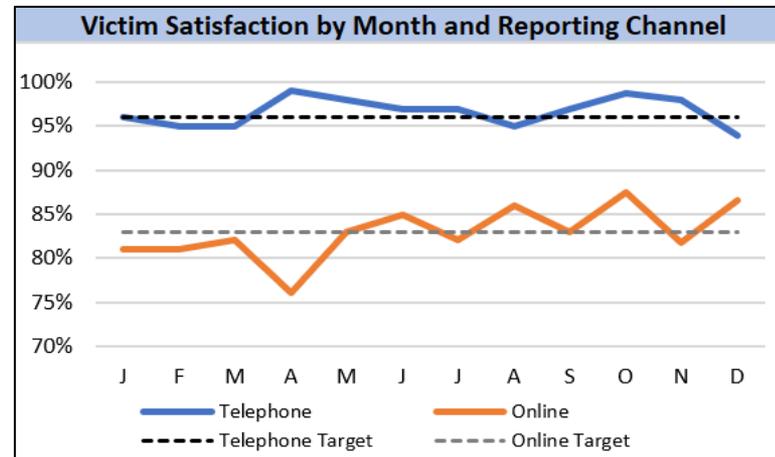
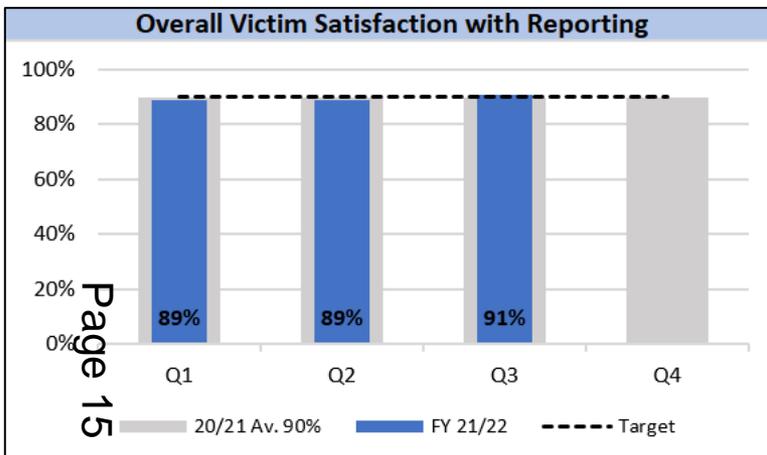
Green	The success measures are being met
Amber Green	The success measures have not been consistently met but there is sufficient evidence to show that developments are being made to improve the RAG status of the measures to green by the end of the period
Amber Red	The success measures have not been consistently met and there is insufficient evidence to show that developments are being made to improve the RAG status of the measures to green by the end of the period
Red	It is unlikely the success measure will be met for the annual period based on the success shown in quarters to date
Grey	Insufficient evidence means that no meaningful assessment is possible at this time.

Outcome 1: The public has confidence in the Action Fraud reporting service.

NLF Role: City of London Police operates the national fraud and cybercrime reporting service. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage.

Success Measures:

- 96% of survey respondents are satisfied with the telephone reporting service.
- 83% of survey respondents are satisfied with the online reporting service.



Feedback from the Action Fraud satisfaction surveys indicates that satisfaction with telephone reporting service was 97% for the quarter, just above the target of 96%. There was a slight decrease in satisfaction levels relating to telephone reporting during December (94%) the lowest it's been in over a year.

Satisfaction with online reporting has fluctuated during the period, reaching a high of 88% in October, before dropping below the target to 82% in November. However, there is a marked improvement in online satisfaction since the recent introduction of the virtual advisor or 'chatbot' service in May, in addition to improved signposting on the website.

Since the launch of the current victim satisfaction survey, Action Fraud advisors have provided a consistently good service. Overall, 1.1% of those reporting a crime in Q3 opted to provide satisfaction feedback to the confirmation fulfilment survey. Over 1.2m confirmation survey links have been delivered to date, with 14,937 respondents opting to provide satisfaction feedback or free text responses, which are used to continuously improve our service.

The number of Action Fraud complaints logged in Q3 2021/22 rose slightly from 81 in Q2 to 84, however this is below reported levels from the previous year following a new engagement process being put in place. During the quarter, 91 cases have been finalised as either resolved or it was found that the service was acceptable. The most commonly received complaint was in the category A2 – Decisions, often due to the non-investigation of a report.

Outcome 1: The public has confidence in the Action Fraud reporting service.

NLF Role: City of London Police operates the national fraud and cybercrime reporting service. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage.

Success Measures:

- Average time taken to answer within Action Fraud is 5 minutes*
- The percentage of reports to Action Fraud that are abandoned is below 16%*

* These benchmarks are based on an assumed static demand level from 2019/20.

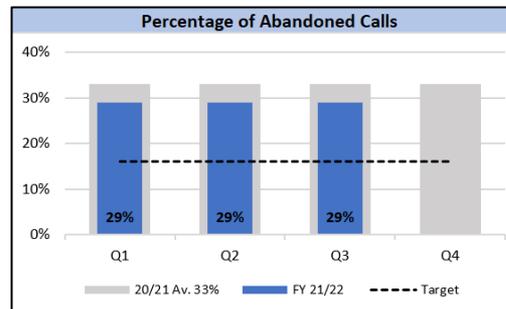
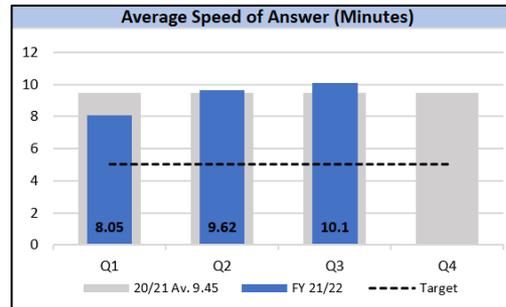
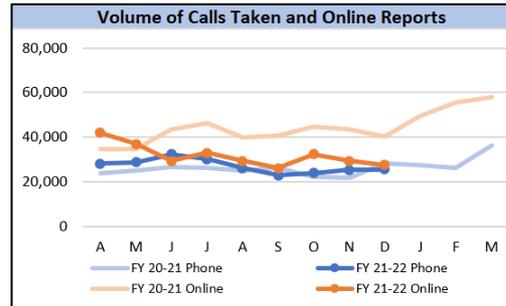
The number of calls answered by Action Fraud in Q3 fell by 5% from 79,156 in Q2 to 74,906. However, this represents an increase from the same quarter in the previous two years (2020/21 – 71,969 and 2019/20 – 68,208).

The overall average time taken to answer calls in Q3 (10.1 minutes); is slower than the previous quarters this year, and the 2020/21 average. This is impacted by the 9% increased in reporting compared with the 2019/20 benchmark, average call handling time, attrition and onboarding of new starters.

Call abandonment figures remain static quarter on quarter at 29%; but remain an improvement on previous financial year (33.5%). In December the lowest abandonment this year was recorded, at 24% a marked improvement from the start of the quarter (Oct 32%, Nov 31%).

Volumes of online reports received rose slightly this quarter; from 88,345 in Q2 to 89,161 in Q3. This represents a significant decrease of 18% from Q1. Some of this decrease is due to seasonality and may also have been impacted by the negative press Action Fraud received earlier in the year.

The percentage of abandoned online attempts is a new measure, reporting the number of draft reports started but not completed. This has decreased slightly this quarter from 26% to 25%. At the present time this measure solely relates to reports commenced by registered users. It is not currently possible to determine the number of new registrations for the period.



In the Contact Centre, as a result of vetting delays the planned intakes of advisors was unfortunately reduced. However, the department is now trained on full-service (bar new starters in their first 4 weeks) which provides an improved victim experience.

Staff turnover has remained relatively flat month on month and the November rate of 4.8% is the lowest rate this year. Casual absence remained low, despite seasonal illnesses and Covid-19 affecting call handlers. Focus remains on supporting advisors to ensure that leavers are kept to a minimum, and to improve the service through advisor upskill training.

On the online reporting tool, the Chatbot development has continued and all guests who aim to chat, will now come through the menu provided. Phase 2 of the project is now live, and provides 60+ informational and guidance responses via a neural language bot, to free text questions from service users. This should result in further capacity to support the inbound voice service and uptake is now reasonably stable.

Outcome 2: People & organisations are prevented from being victims of fraud, & victims are supported.

NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud. It is also responsible for developing and disseminating national protect messaging for policing based upon latest crime reporting trends.

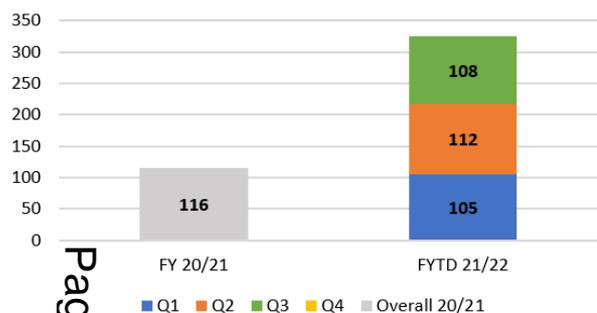
Success Measures:

- Maintain the reach of protect messaging*
- Establish a baseline for use of protect messages through CoLP online and offline media channels and engagement events.

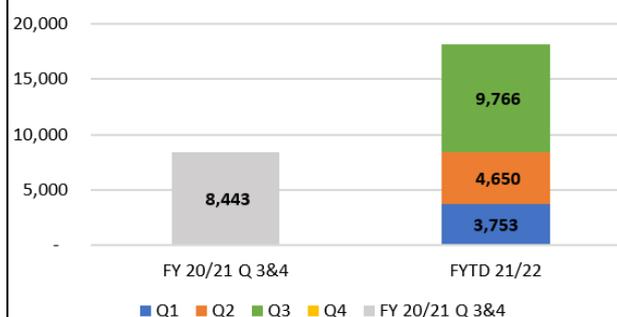
*Stretch Metric – Extend the reach of Protect messaging by 10%



Frequency of Protect Events



Reach of Protect Events

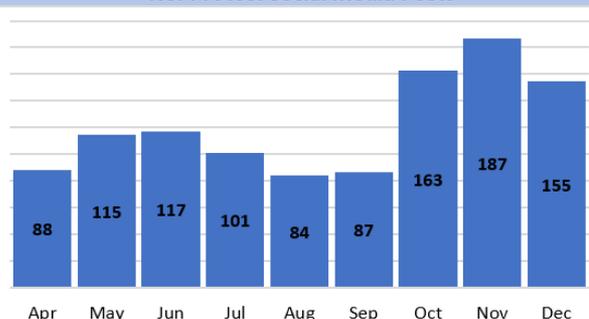


The number of protect events were significantly lower in 2020/21 than previous years; as restrictions were imposed due to Covid-19. However, teams found new ways of engaging with stakeholders and the public, in particular using online events which can reach greater numbers. This recovery continued in Q3 of this year, with 9,766 people attending 108 events. Of particular note, over 5,000 people attended online events held by DCPCU in October, and NFIB held a number of high profile webinars.

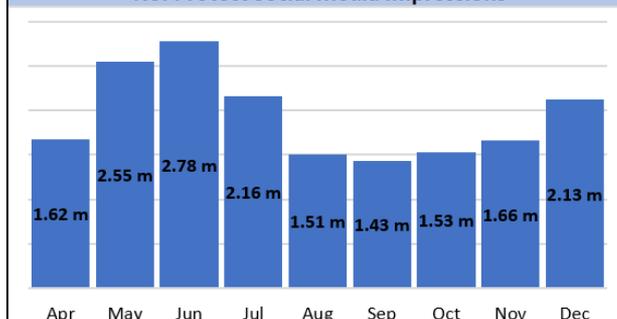
The Force continues to develop its understanding of engagement and reach for protect messaging; in order to establish the relevant baseline through online and offline media channels. There are processes in place to collect data for the number of Protect events and social media posts each quarter, and to record the numbers of attendees and impressions linked to these. Next steps will involve engaging with attendees to understand the effectiveness of the content and whether behaviour will change, and the reach of social media posts. Impressions are defined as the number of people your content is visible to, while reach refers to the number of people engaging with your content through likes, comments and shares.

Action Fraud social media activity peaked in December with 145 posts and 2,104,150 impressions, linked by the #12Frauds campaign covering a different fraud type every other day in the lead up to Christmas.

No. Protect Social Media Posts



No. Protect Social Media Impressions



Across the quarter, focus was on social media, as only 3 interviews were given to traditional media, and the Media Team oversaw 17 press releases. Subject matter varied from press releases about cryptocurrency fraud, ghost broking and notable sentencings. Interviews included BBC1's 'Claimed and Shamed' programme..

The NFIB released 17 alerts through its digital community messaging platforms. These platforms reach approximately 600,000 users each time an alert is sent.

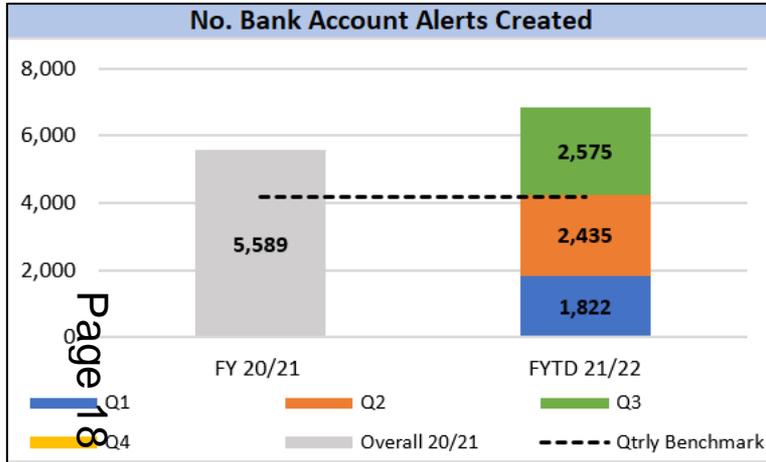
Outcome 2: People & organisations are prevented from being victims of fraud, & victims are supported.

NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud. This includes the banking sector, utilising initiatives to identify and disrupt accounts used in Payment Fraud.

Success Measures:

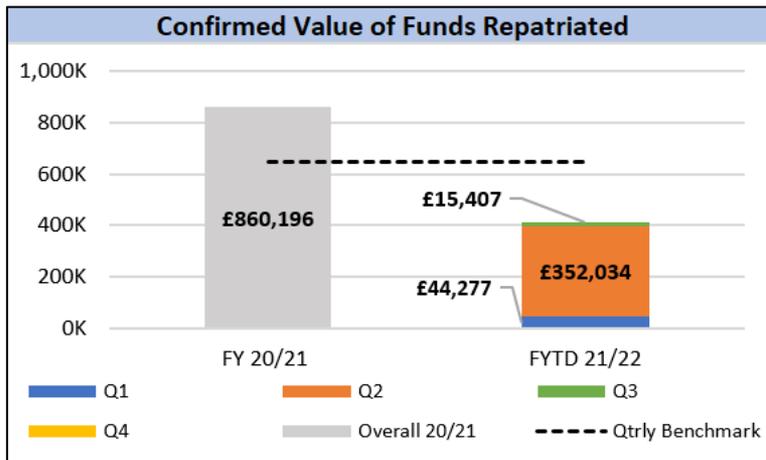
- The value of transactions confirmed as prevented or disrupted before passing into criminal hands is increased*

*The ambition is to increase this by 25% of 20/21 funds for the year with a stretch metric of a 50% increase.



CoLP is continuing its long standing initiative to alert banks to accounts used in fraud. The monthly average of referrals has steadily increased from 164 alerts in 2019/20 and 466 in 2020/21, to 759 for 2021/22 FYTD. October recorded a peak of 909 alerts sent to banks, followed by slightly lower numbers in November and December. The confirmed value of repatriated funds is reliant on feedback from banks which is not always available. The confirmed average monthly savings rose sharply from £14,759 in Q1 to £117,345 in Q2, but then fell to only £1,548 in Q3. This is partly due to a £173,000 payment diversion fraud repatriated in July. For the financial year to date CoLP have alerted banks of accounts used to receive the proceeds of fraud to the amount of £24,687,061 and as a result £397,859 has been recovered since April.

The number of disrupted bank accounts has been rising since the inception of the project and the initiative allows not only for funds to be returned to victims, but also disrupts fraudsters, demonstrates good partnership working, and provides CoLP with the ability to start an investigation early if an alert is missed by the banks. A solution regarding automation of early reporting back to banks in a more consistent and timely manner went live in May. The system is not linked to UK Finance systems at this time, so feedback will continue to rely on manual reporting from banks until this is resolved.



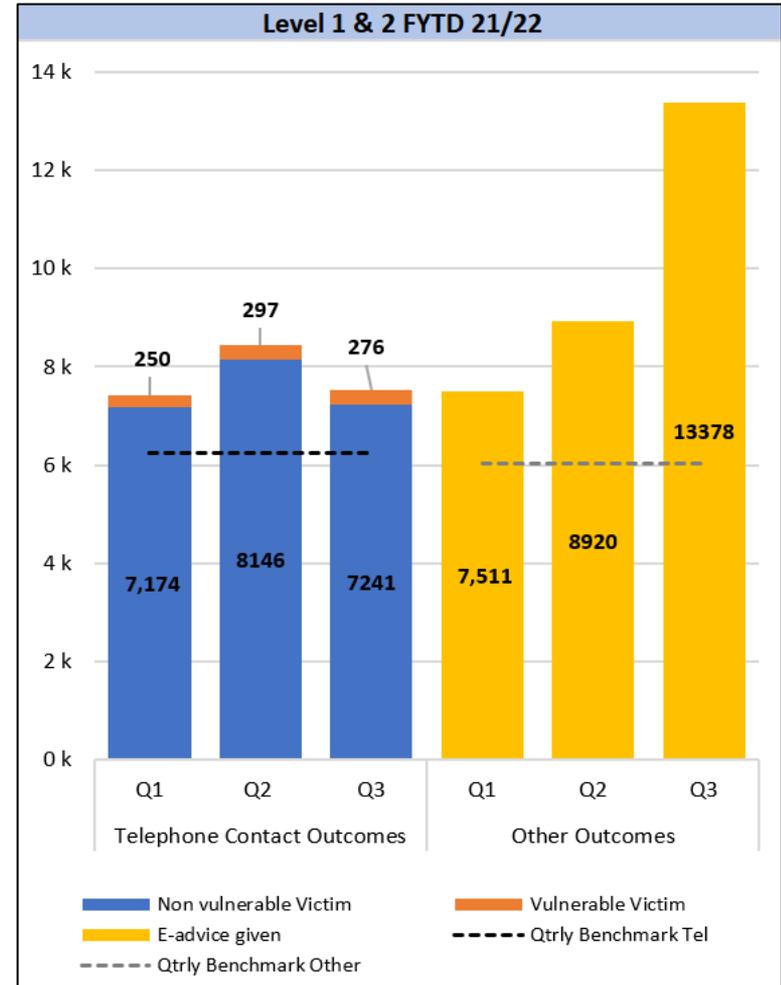
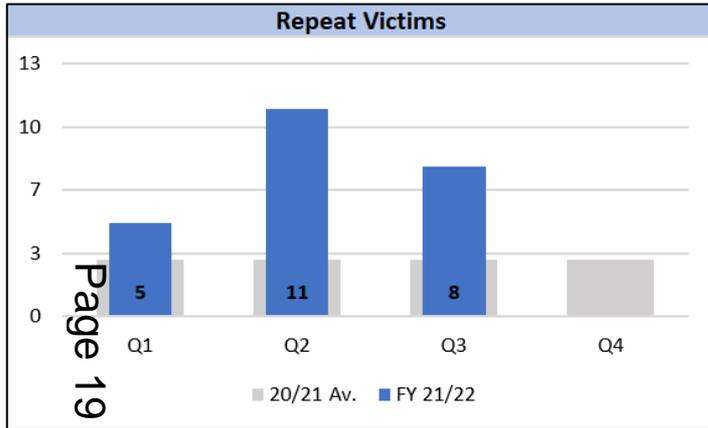
Additional funding has been received through the Lloyds collaboration to further automate alerts into the UK Finance BPS system; which many banks are using to identify monies at risk across industry. The additional benefit of this work, is to also automate the feedback from the banking industry back into CoLP as to the outcomes of the alerts sent by NFIB. The aim is to enhance feedback on action taken and funds repatriated to victims whilst reducing the manual effort to both chase, and send an outcome back to CoLP. Work is ongoing as to the feasibility of this solution working with UKF, CoLP IT and IMS with a delivery date on or before August 2022. In the meantime efforts have been made to improve the current process with individual banks utilising a CoLP volunteer working in the financial industry; to increase reporting of outcomes back into the NFIB.

Outcome 2: People & organisations are prevented from being victims of fraud, & victims are supported.

NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud . It is also responsible for developing and disseminating national protect messaging for policing based upon latest crime reporting trends.

Success Measures:

- The Economic Crime Victim Care Unit will maintain the level of support provided to victims
- The Economic Crime Victim Care Unit will sustain the low levels of repeat victimisation following interaction with their service



The National Economic Crime Victim Care Unit (NECVCU) supports forces at a local level, delivering care to victims of fraud and cyber-crime, allowing for a consistent and national standard of care and support. The **Level 1** service gives Protect/Prevent advice to non-vulnerable victims of fraud. The **Level 2** service engages with victims when vulnerability is identified, and by giving crime prevention advice and signposting to local support services helps the victim to cope and recover from the fraud. Six forces are currently covered by both Level 1 and 2 services, with a further 14 receiving Level 1 only. The NECVCU is looking at onboarding more forces and have conducted 19 trials.

In the third quarter of 2021/22 the NECVCU has performed above 2020/21 averages in both Level 1 and 2 services. During the period, NECVCU has engaged with 24,514 victims, and of these only 8 (0.03%) were recorded as repeat victims. Between October and December 2021, 8 victims have requested additional advice over suspicious emails or phone calls preventing re-victimisation and preventing an estimated £130k in fraud, and 72 victims have been provided with additional safeguarding support. Over the past 12-18 months NECVCU have supported victims to recover over £1,220,000.

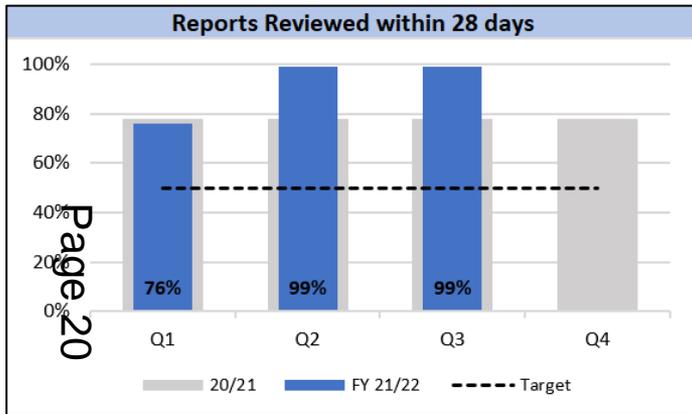
Outcome 3: Police resources are coordinated and deployed efficiently and effectively.

NLF Role: City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud.

Success Measures:

- 50% of crimes that meet the threshold are reviewed within 28 days
- The number of crimes disseminated for investigation is increased*

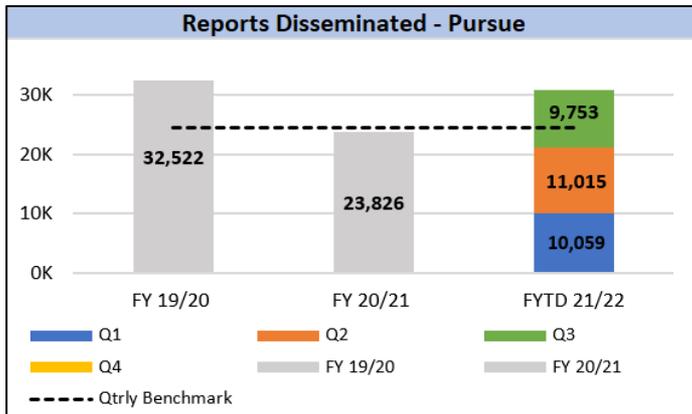
*The ambition is to sustain 2019/20 levels as per graph benchmark.



All fraud reports received are triaged against agreed thresholds and prioritised for review. The highest harm frauds are prioritised and the reports are further examined. Levels of harm are set each year through a MoRiLE process where each fraud and cyber crime type is ranked and the highest ranked for potential harm and risk become priority control strategy crimes.

Once the report is reviewed a decision will be made about the viability of cases and most appropriate agency to investigate them. The report will then be disseminated to that agency. If the report is not reviewed or disseminated then Protect Advice is sent to the victim and they may be referred to the National Economic Crime Victim Care Unit if appropriate.

Due to technical issues the data for triaging times was unavailable for some time. We now have preliminary figures from project DROID and are awaiting final sign-off of these, so they could be subject to change in future reports.



A total of 9,753 Pursue reports were disseminated in Q3 which represents a slight fall from Q2 but is higher than the 2019/20 benchmark quarterly average of 8,130 disseminations (Note: this excludes reports that are disseminated for intelligence purposes or victim care). There is work ongoing to link in with Action Fraud and improve the quality of the fraud reports taken. For example, the use of mandatory fields for vital information such as bank account details will reduce the volume of additional enquiries made during initial investigations; and streamline the review and dissemination processes.

The dissemination of Control Strategy crimes fell below the 2020/21 quarterly average of 2,553, with 2,574 crimes sent this quarter. Control Strategy priority crimes include: Romance Fraud, Courier Fraud, Investment Fraud, Payment Diversion Fraud, Insurance Fraud and Banking/Payments Fraud. This is in line with the campaigns run throughout the year, focusing on a number of these areas along with COVID-19 related fraud.

Outcome 3: Police resources are coordinated and deployed efficiently and effectively.

NLF Role: City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud.

Success Measures:

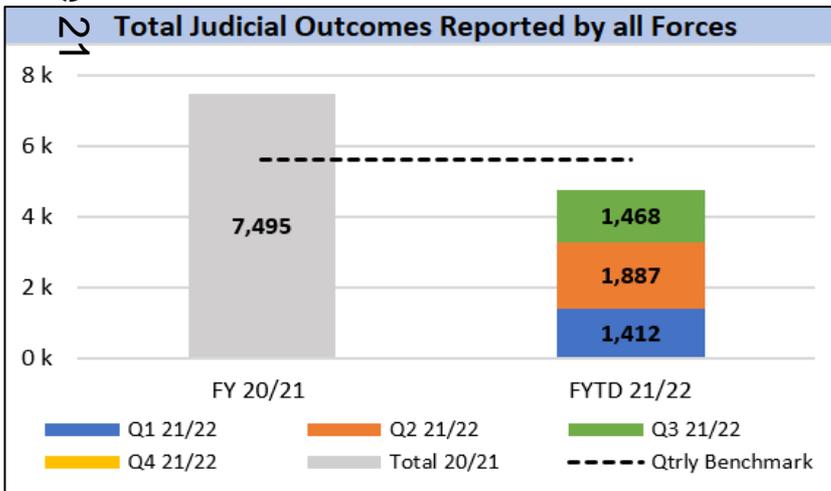
- The number of judicial outcomes recorded by policing is increased.
- 100% of Home Office forces are in the compliant category for outcome reporting.



Forces are required to provide outcome information to CoLP every month, matched against their NFIB disseminations. All forces continued to provide a return each month in Q3. The National Coordinators continue to engage with forces to ensure this 100% compliance can be maintained throughout the year.

FY 20/21	Returns
Compliant (10-12 Returns)	39
Partially Compliant (7-9 Returns)	3
Non Compliant (0-6 Returns)	3

FY 21/22 FYTD	Returns
Compliant (7-9 Returns)	45
Partially Compliant (3-6 Returns)	0
Non Compliant (0-2 Returns)	0



There has been a slight decrease in judicial outcomes reported nationally this quarter compared to the last, and levels remain below the quarterly benchmark from last year. It is still expected that this should recover before the end of the year as courts return to a higher operating capacity and backlogs in the criminal justice system are reduced.

The total outcomes reported in the period can relate to disseminations from any time frame. The volume of outcomes fluctuates throughout the year as, for example, one investigation into a boiler room might have hundreds of outcomes attached to it.

When considered in relation to the number of crime report disseminations that have been made for the year to date this gives a judicial outcome rate of 15%.

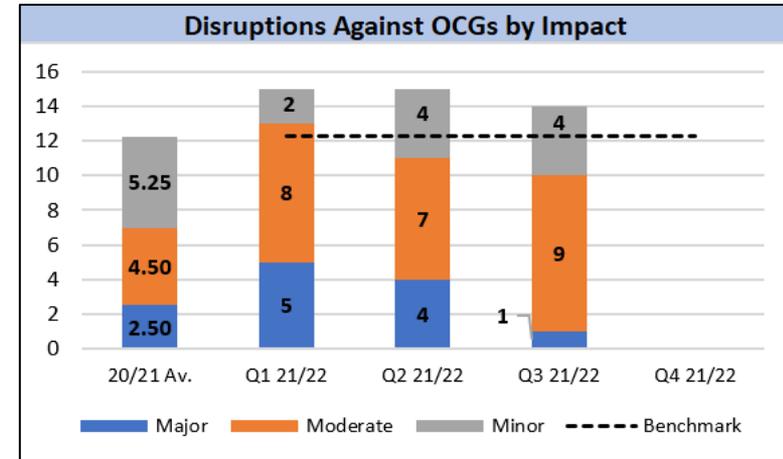
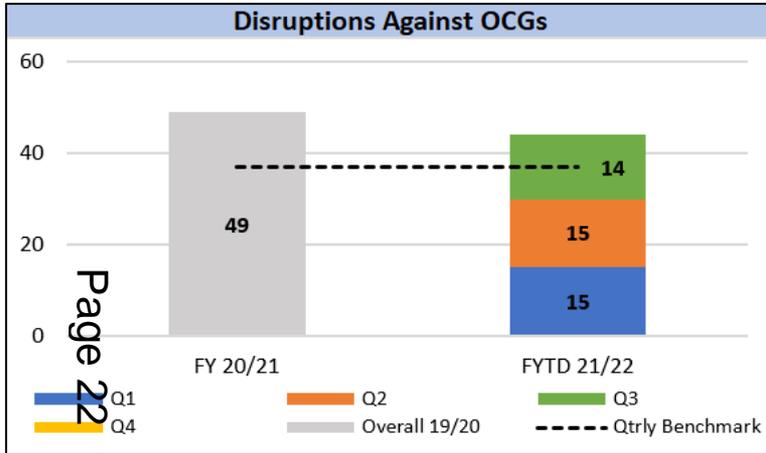
Note: Judicial outcomes refer to Home Office Counting Rules Outcomes 1-8 which include charges, cautions, taken into consideration etc (they do not refer to the wider criminal justice process).

Outcome 4: *Fraudsters operating nationally are identified and their offending is being disrupted.*

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

Success Measures:

- CoLP OCG disruptions are sustained with higher proportion of major disruptions.



There are currently 61 mapped Organised Crime Groups (OCGs) under investigation by National Lead Force teams. One new OCG was mapped in Q3.

There were a total of 14 disruptions for Q3 2021/22, which is higher than the quarterly average of 12 during 2020/21. This indicates that disruption activities have continued to increase as Covid-19 related restrictions have been further relaxed. The main proportion of these disruptions were judged to be moderate in their impact this quarter. The number of major disruptions continues to be above the quarterly average from 2020/21.

- One Major NLF disruption was claimed in Q3 and was approved. This Major disruption represents the sentencing of a key nominal in an IFED operation to 40 months in custody.
- The City SOC team continue to receive and assess NLF referrals where appropriate for proactive support and investigation. Over the last quarter, SOC assisted a regional partner with an NLF courier fraud investigation and is currently working on an NLF referred money laundering investigation

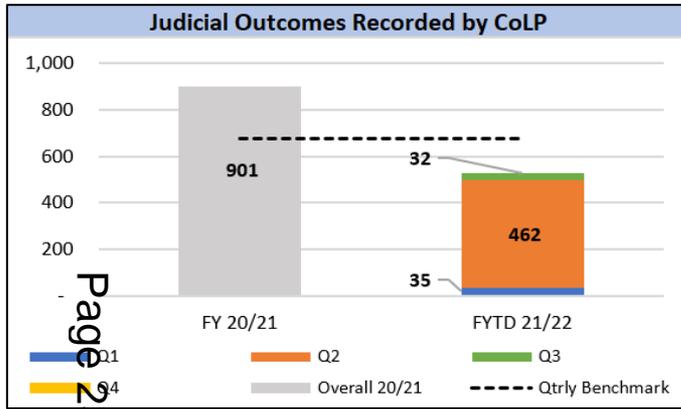
Outcome 4: Fraudsters operating nationally are identified and their offending is being disrupted.

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

Success Measures:

Increase the number of judicial outcomes recorded by City of London Police.*

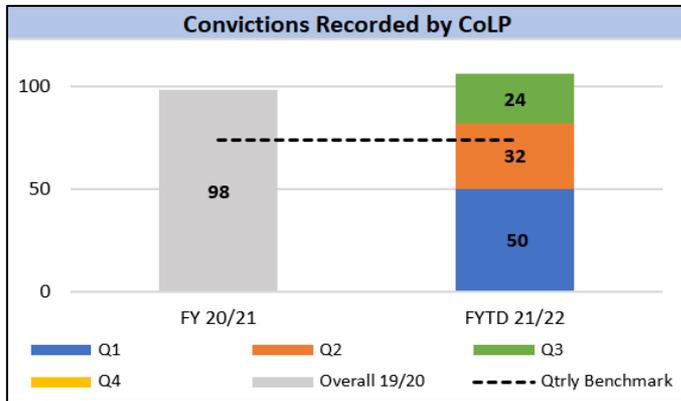
*The ambition is to increase by 25% with a stretch metric of 50% of 20/21 outcomes



Pursue activity was affected by the pandemic throughout the previous year, with lower numbers of arrests, interviews, cautions and charges than in 2019/20. Each quarter of 2021/22 has seen recovery of activity levels across all of these measures, reaching a peak in October as officers responded to further lifting of lockdown restrictions and reported 30 charges.

The chart to the left shows that following the high numbers of judicial outcomes reported in 2020/21 and Q2, the numbers dropped considerably in Q3 of this year, matching the volume reported in Q1 and falling below the quarterly benchmark.

A significantly higher number of judicial outcomes were recorded by CoLP in Q2, with outcomes posted for three notable operations, each giving multiple outcomes and some providing closure for hundreds of victims. This fluctuation is expected as cases with varying numbers of crimes attached are seen in courts throughout the year.



In Quarter 3, there were less convictions for cases that had been tried during the current reporting period than in Q2. However, the Q3 total of 24 convictions brings the overall number for 2021/22 to 106, surpassing the annual count from 2020/21 and showing a return to pre-pandemic levels.

A notable success by DCPCU resulted in the sentencing of a criminal from South London who spent thousands of pounds on designer goods and luxury watches; after harvesting details from numerous bank customers.

A high profile IFED conviction centred around a woman who forged medical documents stating she had terminal cancer in an attempt to claim £130k. She received a 2 year suspended sentence and 6 month tagged curfew.

Note: Judicial outcomes refer to Home Office Counting Rule Outcomes 1-8 which include charges, cautions, taken into consideration etc, they do not refer to the wider criminal justice process.

Outcome 4: Fraudsters operating nationally are identified and their offending is being disrupted.

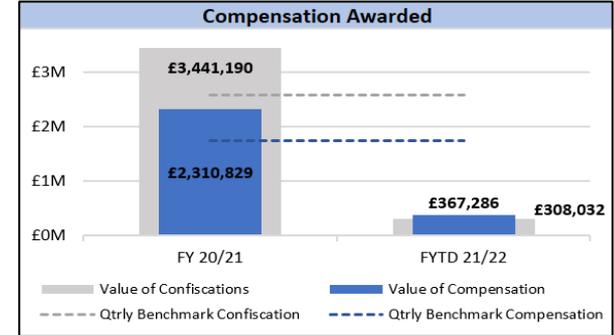
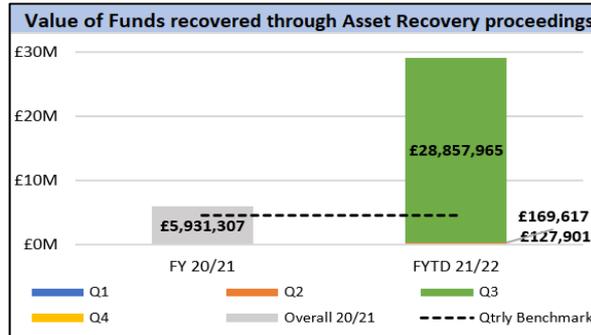
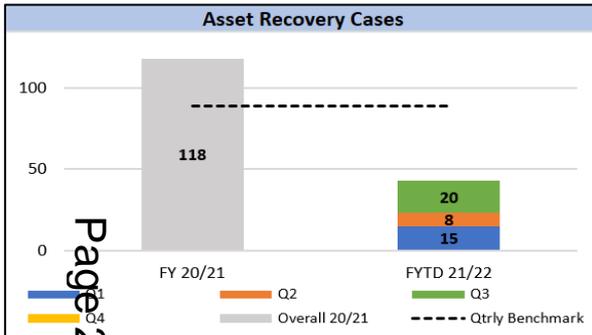
NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

Success Measures:

- Increase use of POCA powers and value of assets denied.²
- Increased use and number of new ancillary orders issued by City of London Police.³

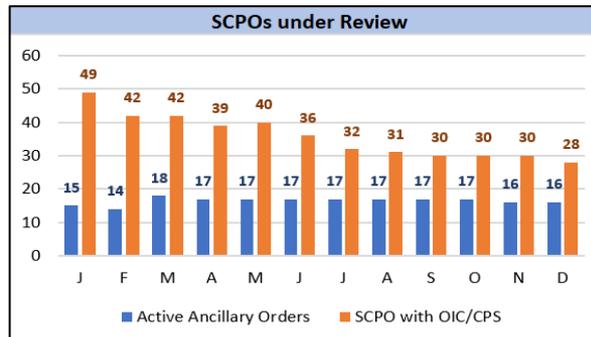
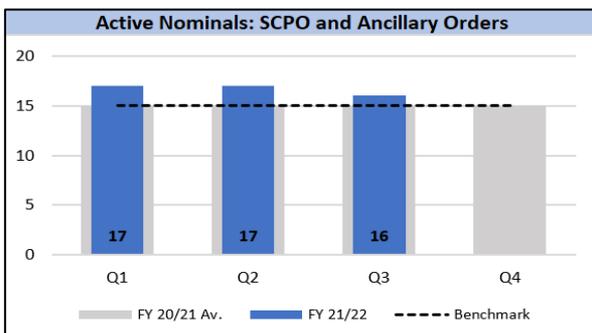
² ambition is to increase by 5% with a stretch metric of 10% of 20/21 occasions.

³ ambition is to increase by 30% with a stretch metric of 60% of 20/21 occasions.



There has been an overall drop in POCA activities compared to the previous year's averages. At this stage of the Financial Year, the value of these orders has reduced considerably across all measures with the exception of Account Forfeiture. These decreases are notable due to a single operation in the past financial year, where over £2 million was confiscated. Decreases in POCA activity are being seen nationally and the Strategic Asset Recovery Board is investigating this change.

In October, the Asset Recovery Team working in partnership with the CPS obtained two Account Forfeiture orders totalling over £28.75m; the UK's highest ever account forfeiture. In November, as an offshoot to this ground breaking investigation, an Account Freezing Order was obtained for £1.48m.



The active ancillary orders include Serious Crime Prevention Orders, Financial Reporting Orders and Criminal Behaviour Orders.

Throughout the year numbers fluctuate as orders expired and new ones have been served. Quarter 3 has fallen slightly below Q2 by 1, but remains above the 20/21 benchmark.

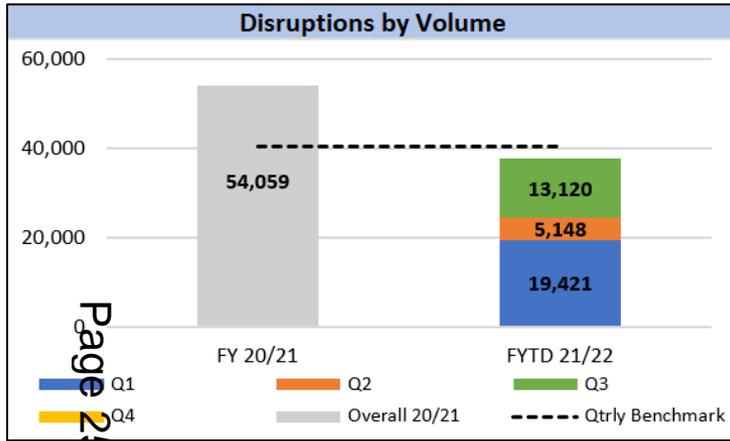
Currently CoLP have 28 SCPOs under review with OIC/CPS and 16 Active Ancillary Orders with one order having expired in September.

Outcome 4: Fraudsters operating nationally are identified and their offending is being disrupted.

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

Success Measures:

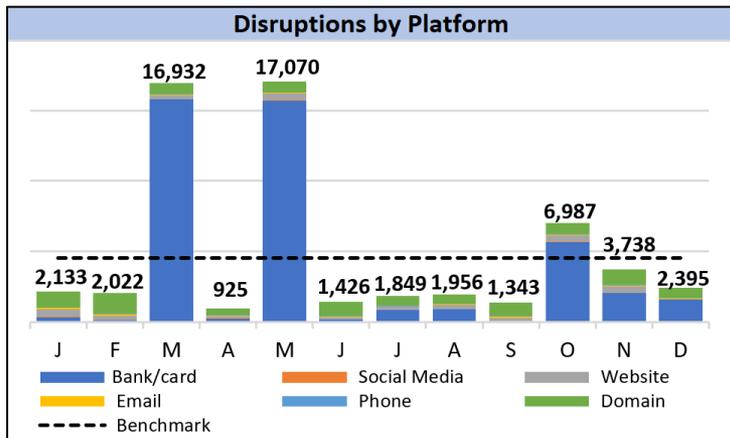
- The number of disruptions to technological enablers is sustained.



During Quarter 3, 13,120 disruptions were recorded; this takes the total for the year to just below the quarterly benchmark of 40,500. Although activity in most areas of this measure have exceeded those of Q2, the majority focused on bank account/card (up 414%) and proactive domain (up 11%) disruptions.

In October, a DCPCU investigation generated a large recovery, the estimated value of which was £4,332,000.

The NFIB Prevention and Disruption Team (P&D) assisted high-street chain WHSmith in taking down a cloned website created to take payment for non-existent goods, causing financial loss to the public and the business at a critical period of their recovery following the ongoing pandemic. UK Registrar Nominet are due to publish their annual figures; these show the team increasing referrals by over 200 this year. In total, over 800 fraudulent websites were taken down before they went live as a result of the team's pro-active referrals. During the period the team have proactively identified and disrupted websites selling counterfeit UK passports, driving licences, ID documents and UK bank notes. Additionally, a single Gmail account, identified from multiple reports of online shopping fraud, resulted in the identification and disruption of 13 websites linked to this account. These were purporting to sell items such as Knives, Children's Toys and Clothes and failure to take them down would have resulted significant financial loss to the public.



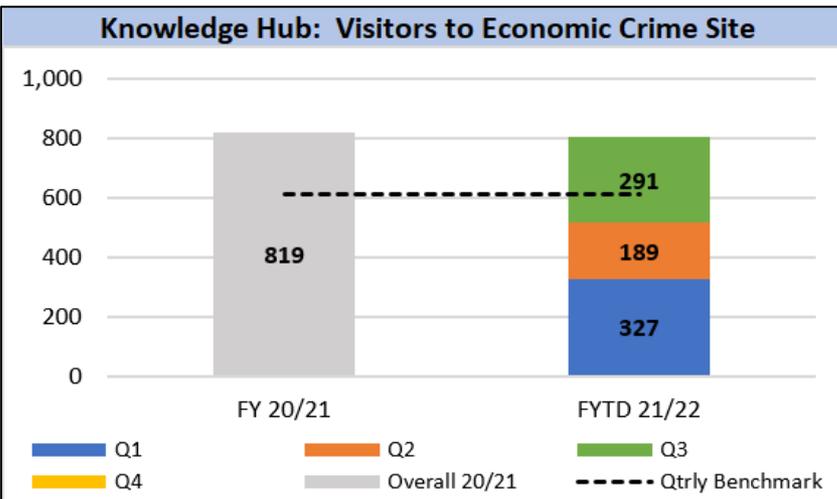
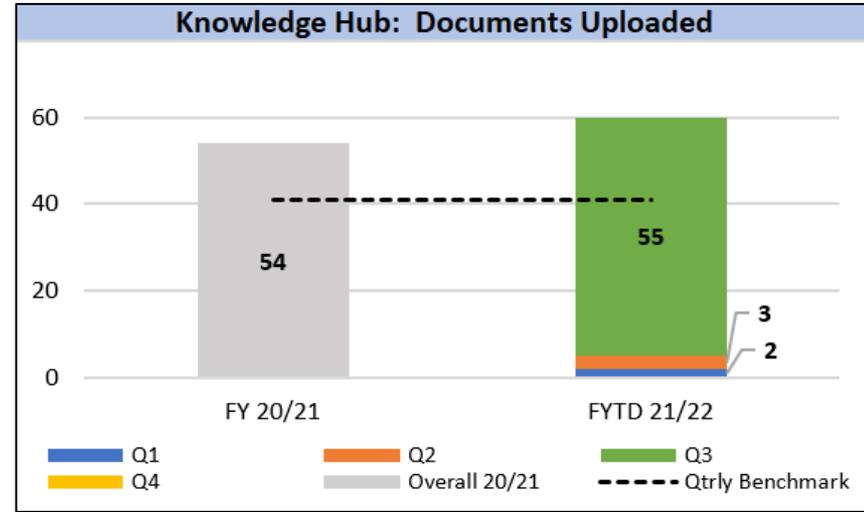
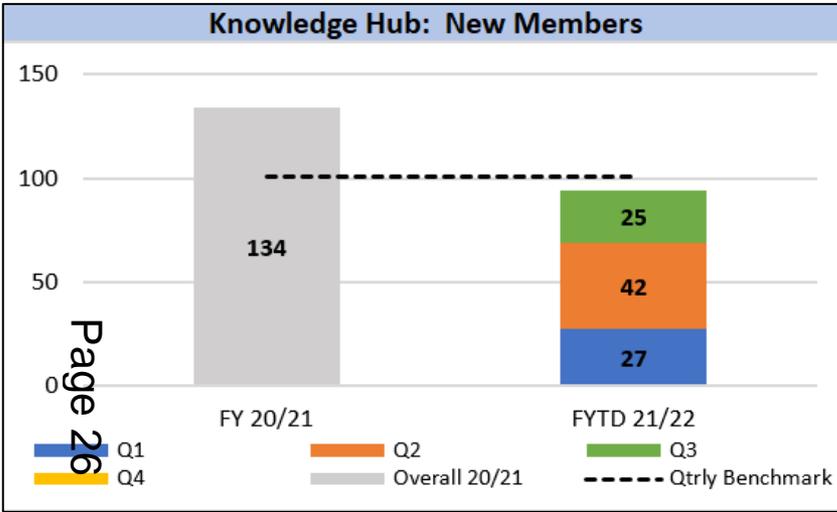
City of London Police and National Cyber Security Centre Suspicious Email Reporting and Takedowns: NCSC & COLP receive reporting of suspicious emails from the public via SERS, which launched 21 Apr 2020. As of 31st December 2021 the number of reports received stand at more than 7,700,000 with the removal of more than 64,000 scams across 119,000 URLs. The public are sent large volumes of scam messages every day, many of which will be blocked by spam filters or otherwise ignored. Of the messages that reach inboxes, the public report to NCSC and COLP 13,800 per day via SERS; in addition to around 600 cyber-enabled crimes reported to Action Fraud on average per day in Q3 2021. From these suspicious emails, we identify over 490 new pieces of infrastructure (websites, servers or emails) per day – i.e. about 3.5% of scam messages the public send us contain unique knowledge of something malicious.

Outcome 5: Policing has the capability and capacity to detect, disrupt and deter economic crime.

NLF Role: City of London Police is a centre of expertise for fraud. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is responsible for identifying, developing and disseminating good practice.

Success Measures:

- Economic Crime Knowledge Hub engagement levels are increased



The Economic Crime Knowledge Hub membership has continued to rise steadily during Q3 2021/22. There have been 25 new members to the Economic Crime Knowledge Hub this quarter; increasing the total membership to 337. The rate of growth has slowed since Q2 and remains slightly below the average from last year.

55 new documents were uploaded to the Knowledge Hub during the period, surpassing the total number of uploads from 20/21.

The number of visitors to the hub has increased compared to last quarter, as activity recovered following a quiet Q2. Compared to the quarterly average from 2020/21 there has also been increased engagement with the site.

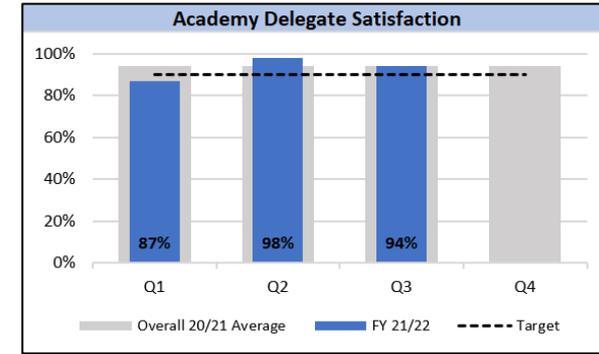
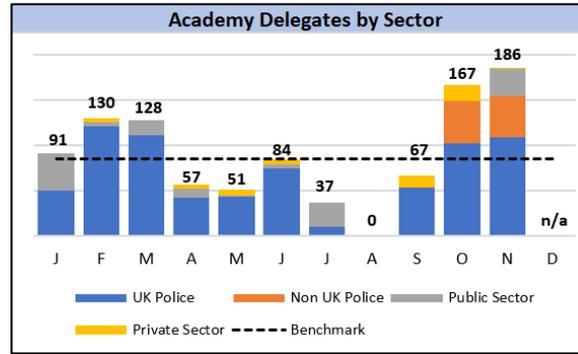
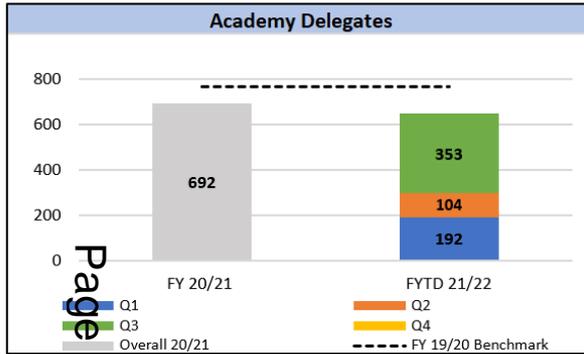
Outcome 5: Policing has the capability and capacity to detect, disrupt and deter economic crime.

NLF Role: City of London Police is a centre of expertise for fraud. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is responsible for identifying, developing and disseminating good practice.

Success Measures:

- Delegate training numbers are sustained at 2019/20 levels*
- Delegate training has a 90% satisfaction rate.

*Stretch metric to increase these levels.



December figures were not available at the time of submission. Given that only two months of Q3 are available, the Economic Crime Academy performance during the period was outstanding. 26 courses were run, almost as many as in the whole 6 months previous (28). A total of 353 delegates attended, from across all sectors. This Q3 performance is well above the 20/21 and 19/20 quarterly averages, however they have not reached the target for the financial year so far. The overall satisfaction rate for Q3 fell slightly but is above the target rate.

This quarter has seen the ECA continue to build its international presence, including Virtual Bribery and Corruption training delivered for Ukraine delegates. The ECA travelled to South Africa to carry out a Training Needs Analysis on behalf of the National Crime Agency, and then onto Botswana to deliver bribery and corruption and money laundering training. Issues arose in relation to covid-19 which resulted in training being terminated earlier than planned and trainers having to quarantine.

The ECA continues to adapt training to suit the needs of their customers. For example Thames Valley requested their Money Laundering course be delivered virtually, while the West Midlands ROCU preferred it to be delivered face to face. Course material has been developed to ensure both methods of training deliver the content in full. A recently commissioned on-line Cyber Enabled Fraud course is currently being piloted, once finished it will be released with the Academy's other Cyber on-line offerings. The ECA are looking to commission a Cyber Open Source Intelligence course in Q4 as part of its on-line offerings which will be offered to the NFIB.

In partnership working, a fourth course on the Fraud Protect Officers programme is currently being organised, with additional funding from Lloyds Bank, dates are currently being arranged with CIFAS. The ECA are also working jointly with the CPS to create online disclosure training for financial investigators. This project will be funded by the Home Office and it is expected to be completed by the first quarter of 2022. The Economic Crime Academy met with the Serious Fraud Office (SFO) to discuss how they can assist with Fraud Investigators Training to improve the initial training and ongoing CPD for investigators.

This page is intentionally left blank

Agenda Item 6

Committee: Economic and Cyber Crime Committee – For information	Dated: 14/02/2022
Subject: National Lead Force Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,10, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	NA
What is the source of Funding?	NA
Has this Funding Source been agreed with the Chamberlain’s Department?	NA
Report of: Assistant Commissioner Pete O’Doherty	For Information
Report author: Adam Maskell	

SUMMARY

This report provides information on key activities delivered as part of the National Lead Force Plan. These activities include:

- Improvements to Action Fraud reporting
- National protect campaigns to tackle online shopping and romance fraud
- Continued coordination of Project Otello activity
- Multiple arrests for courier fraud
- Force and PCC engagement

Recommendation(s)

It is recommended that members note the contents of this report.

MAIN REPORT

BACKGROUND

1. The National Lead Force Plan was approved by Police Authority Board in October 2020. The plan is structured around 5 key outcomes / aims with milestones and performance measures attributed to each milestone. This report will be a standing agenda item in future and will provide an overview of ongoing activity.

CURRENT POSITION

Outcome 1: The public has confidence in the Action Fraud reporting service

Action Fraud is the National Fraud and Cybercrime Reporting Service delivered by COLP. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage. We constantly seek opportunities to improve the quality of service delivered informed by user feedback. A number of activities are in progress including changes to staffing and recruitment models and technological improvements.

Next Generation Fraud and Cyber Reporting and Analysis Service

1. The procurement process to appoint a supply chain to develop the new service continues. The Invitation to Participate in Negotiation process commenced on 21 December 2021 with 13 bidders across 3 service lots requested to submit their first service solution bids by 28 February 2022. The procurement and negotiation procedure will conclude in quarter 3, with award recommendations going to governance forums early in 2023.
2. On 31 March 2022, the new and improved online reporting tool and website will be available for private beta with go live scheduled for Quarter 2 2022/23. This is an early deliverable of the Next Generation programme and will bring the following key benefits:
 - a. Improved victim experience and satisfaction
 - b. More successful criminal justice outcomes, harm prevention & improved understanding of the threat
 - c. Better accuracy of information
 - d. Improved analysis of victimology and vulnerability

Enhanced cyber reporting service to increase reporting confidence by businesses

3. A new service is currently being designed to help businesses report cyber crime. Businesses are less likely to report cyber crime offences than individuals and this is, in part, due to a lack of knowledge and confidence in the national fraud and cyber reporting process. To ensure more crimes are reported, and to increase businesses confidence in reporting, NFIB is designing and implementing an Enhanced Business Cyber Reporting Service.
4. The service will be established as a proof-of-concept and if successful, will be incorporated as part of the Next Generation service. The project will consist of:
 - a. A bespoke call centre with handlers that have extra training to provide immediate remedial action, mitigation advice and ensure all reports are recorded in accordance with crime reporting standards
 - b. Specialist crime reviewers who will assess each report and establish an agreed plan to either distribute the allegation to the most appropriate law enforcement agency or provide an enhanced level of protect messaging and signposting to reduce the impact of the offence
 - c. A strategic data sharing protocols portal which will streamline and increase efficiencies for sharing data

ChatBot function deployed into full service

5. Following extensive testing during 2021, the new chatbot function was successfully deployed in a fully live environment in December 2021. The chatbot is a computer program that simulates and processes human conversation (on line) allowing humans to interact with digital devices as if they were communicating with a real person. This is the first of its kind in policing. Victims using this service are not talking to a human on the end of the chatbot, and are advised of this. The programme has built in artificial intelligence, so will learn as time progresses, continuously enhancing the service. It is estimated that the chatbot reduces demand equivalent to 4 call handlers taking routine calls, enabling more vulnerable victims to access the service and speak to an advisor.

Outcome 2: People and organisations are prevented from being victims of fraud, and victims are supported (Protect)

Online shopping campaign launched in lead up to Black Friday / Cyber Monday

6. COLP led its annual online shopping protect campaign (created in partnership with the NCSC) in November 2021. During a week of focused activity the network reached **10.2 million** individuals, with **32 million** impressions. During the full festive period (22 Nov – 4 Jan) the campaign reached **12.2 million** individuals, achieving **47 million** impressions. The campaign also achieved significant media coverage and reached offline communities through the neighbourhood alert system and the multiple community groups attached to this.

Launch of new Romance Fraud campaign in January 2022

7. City of London Police launched a romance fraud campaign in January 2022. The overarching objectives of the campaign are to raise the profile of romance fraud at a time when data shows first contact between victim and offender takes place, and to see an increase of reporting of romance fraud due to raising the profile of this fraud type. The messaging also helps people to identify if their friends or family may be victims of romance fraud and encourages intervention. Communications materials, including a press release, regional statistics, suggested social media posts and social media assets, were distributed to all force communications teams before Christmas.

Outcome 3: Police resources are coordinated and deployed efficiently and effectively (Pursue / Protect / Prepare)

City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud. Its current focus includes increasing judicial outcomes and the effectiveness of operational activity undertaken by policing through leadership and coordination of activity against high harm crimes.

Project Otello

8. City of London Police has agreed tactical and operational plans for the sustained improvement to the policing response towards Courier Fraud and Romance Fraud under Project Otello. The aims of the extended work programme are to:
 - a. impact positively on levels of organised criminal activity and bring offenders to justice;
 - b. provide disruption opportunities where investigation is not viable;
 - c. identify and support victims at the earliest possible stage, even where reporting has not taken place; and
 - d. increase levels of intelligence to facilitate better proactive opportunities.
9. The targeting of high harm frauds, particularly those identified within the NFIB Control Strategy, continues to be a priority. Recent campaign work around courier fraud and romance fraud had new breakthroughs with access to large amounts of intelligence, which provides for exciting proactive opportunities.
10. Forces across the country have implemented local plans for the occurrences of courier fraud, with a number of them working in collaboration with the Lead Force Operations Room (LFOR) to target the organised aspect of the criminality involved.
11. Learning from past campaigns, the work combatting romance fraud brings new opportunities in respect of disruption, and the realisation that there are some outstanding opportunities to identify and deliver interventions in cases where victims are not aware of what is happening. Our relationships with a number of international law enforcement agencies continues to develop, and with it provides a realistic route of prosecution outside the confines of our own jurisdiction.

Lead Force Operations Room supports international pursue activity

12. LFOR were notified that German authorities required assistance with an investigation into a far reaching boiler room investment fraud for non-existent bonds, shares and other financial investments, resulting in total losses of at least €30 million. LFOR conducted intelligence checks ascertaining that four persons of interest had a UK base and proceeded to secure warrants to obtain evidence on behalf of German authorities. The warrants were executed simultaneously by officers from City of London Police, the National Crime Agency, North Wales Police and Sussex Police, whose invaluable support enabled the operation to be a success. During the warrants, material was seized and will be transmitted back to the German investigators to continue their investigation. The investigation was further supported by suspect interviews completed on behalf of the German investigators.

Bilateral data sharing with Microsoft

13. Following a long period of collaboration between COLP and Microsoft, a new MOA has been signed which agrees a process for bilateral data sharing. This is

based on a robust mechanism of checks and balances to ensure victim's privacy whilst allowing us to share threat data to effectively pursue global investigations with a view to increase identification and pursuit of offenders.

Outcome 4: Fraudsters operating nationally are identified and their offending is being disrupted (Pursue)

City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

More arrests for courier fraud

14. An investigation into courier fraud with estimated losses of around £1m across 40 victims, many of them vulnerable, has resulted in two people working in public healthcare services being arrested for supplying an organised crime group with personal data of victims.
15. The Lead Force Operations Room assisted North Yorkshire Police arrest a member of an organised crime group which persuaded two elderly sisters to buy gold bars worth almost £500,000. The suspect, who has a history of violence towards police officers, surrendered after the warrant was executed early in the morning and his home was searched by officers. COLP's digital dog, Fred, along with his handler, located SIM cards hidden at his address. Officers from LFOR then assisted with a search of further addresses. The suspect was interviewed before being charged and remanded in custody.

Wanted suspect arrested and charged

16. Proactive activity by COLP identified an outstanding suspect in a £4m investment fraud and £78k recovery room fraud had returned to the UK having been wanted for 3 years. The suspect managed to re-enter the UK undetected and had been staying with family. The suspect was arrested as he was about to leave the country and has been charged and remanded in custody.

Outcome 5: Policing has the capability and capacity to detect, disrupt and deter economic crime (Prepare)

City of London Police is a centre of expertise for fraud and is responsible for identifying, developing and disseminating good practice. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is working with policing to build fraud capabilities and reform the fraud operating model.

National fraud response

17. In September 2021, a joint NECC/CoLP paper was presented at National Strategic Tasking and Coordination Group (NSTCG) concerning how law enforcement understands and improves the pursue response to the demand for

fraud. Five recommendations were approved and link to improving the judicial outcomes to fraud demand, the response to NCA fraud intelligence disseminations and the refusal rate for fraud related DAMLs. COLP has written to chief constables requesting their support to drive forward these recommendations alongside the ambition to continue to upskill policing to tackle economic crime, embedding force fraud performance and improvement to the victim experience to increase satisfaction. The NSTG requirements were also highlighted at the annual Serious and Organised Crime conference for policing.

18. At the same time the police authority chair and PCC lead for fraud and cyber have written to PCCs highlighting the key areas where PCCs can make a difference, including prioritising fraud in local police and crime plans, using the monthly force fraud performance data to hold their force to account, and amplifying national protect campaigns in their local area.

Force engagement

19. Following a strategic briefing in November 2021 attended by strategic economic crime leads from 41 forces, COLP has commenced a comprehensive force engagement plan to visit all forces and regions by the end of 2022 to identify good practice and provide support and guidance. Prioritisation of visits is informed by data taken from a 2021 capability self-assessment and performance data. The programme will help forces to identify opportunities to improve their fraud response and build on the findings of HMICFRS visits.

Capability development

20. Lloyds Banking Group has joined forces with City of London Police to launch the industry's first pilot scheme using proceeds of crime to fund a series of fraud fighting and victim support programmes across the country. This includes expanding the Dedicated Card and Payment Crime Unit by funding a new specialist team to track down criminals through cyber investigations, which can lead to disrupting other illegal activity often associated with fraud such as drugs and people trafficking. The money will also be used to continue the roll out of the Economic Crime Victim Care Unit (NECVCU) which provides support, advice and aftercare to victims nationally.

CONCLUSION

21. This report provides an overview of the NLF outcomes and highlights a selection of activities being delivered in pursuit of these outcomes.

Committee: Economic and Cyber Crime Committee	Dated: 14 February 2022
Subject: Cyber Griffin Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	NA
If so, how much?	NA
What is the source of Funding?	POCA
Has this Funding Source been agreed with the Chamberlain's Department?	NA
Report of: Assistant Commissioner Peter O'Doherty	For information
Report author: DS Charlie Morrison, Cyber Griffin	

Summary

Cyber Griffin has experienced a significant increase in requests for service in the last period. At points the programme is now delivering at double the expected rate for the time of year. This additional demand remains manageable as the team have utilised online delivery platforms which enable greater capacity. The teams resilience is being closely monitored and discussions for additional staffing or a new approach to managing demand are likely to be required first quarter of 2022. There remain questions over future direction and funding. Separate reports detailing these subjects have been submitted to senior officers for comment.

Recommendations

It is recommended that Members note the report

Main Report

Background

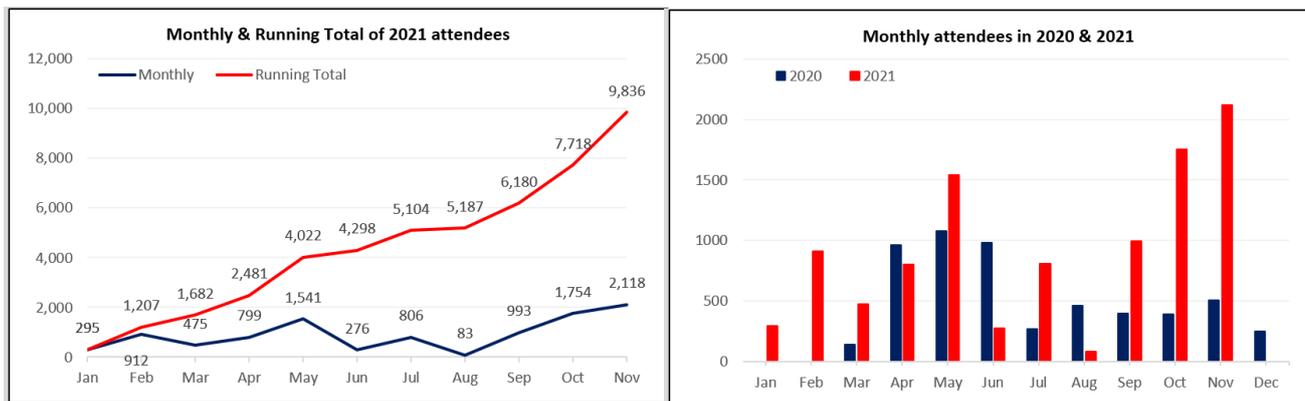
- Members requested a quarterly update on Cyber Griffin to the ECCC. This report gives a brief update on the current position of the Cyber Griffin initiative. For details of Cyber Griffin deliverables please visit: www.cybergriffin.police.uk.

Current Position

- Cyber Griffin has seen a steep increase in service demand over the last period as is demonstrated by the charts below. Officers have managed this by relying on the greater capacity offered by digital delivery platforms and by booking services into previously quieter periods of the calendar year. Demand remains manageable and is being closely monitored. A greater proportion of deliveries

are now guest speaker inputs. This is likely a case of Cyber Griffin’s increasing reputation leading to an increase in these requests.

- The last period has seen an levelling out of demand for physical deliveries which currently make up approximately 10% of total engagements. The initiative has maintained an approximate two month lead time for service delivery. The team maintains resilience to deal with victims and urgent calls for service so priority matters are still met within the timeframes set by national standards.



2021 Targets	Total	Targets	Percentage Achieved
End Users Trained	10,194	7,000	146%
Core Services Conducted	260	150	173%
New Businesses	178	100	178%

- Regarding performance against national targets, Cyber Griffin continues to meet all nationally set key performance indicators (KPIs). Specifically, the initiative has engaged with 100% of victims of cyber dependent crime within its force area, survey data demonstrates that engagements create security behaviour changes in above 75% of attendees and that the same events have a satisfaction rate of above 75%.
- Regarding locally set targets, Cyber Griffin has already met two of its three objects and is on course to meet the third. Specifically, the initiative has conducted 260 services within the calendar year (original target - 150) and engaged with 178 new organisations (original target – 100). Cyber Griffin now trained 10,194 people this calendar year (original target 7,000).
- By way of a brief commentary on overall performance, Cyber Griffin has exceeded the previous years delivery every month with the exception of those periods where officers were required to support wider policing demands. The last period of the year saw an increase in demand which superseded growth estimations. It is not yet clear whether growth will continue at this enhanced rate. More data will be needed. It is expected that Cyber Griffin will continue its growth into 2022.
- Cyber Griffins current financial situation is that the team are on temporary POCA funding until April 2022. The initiative spend is being closely monitored and currently is comfortably within its financial forecasts set in April 2021. There

remains the question of future funding. A bid regarding this has been submitted and is currently waiting senior officer signoff after which a decision will be made as to where this funding will be sort. This matter is now the key issue for decision as we approach the start of the new financial year.

8. Cyber Griffin continues to work with Bristol University in the development of a new incident response exercise. Beta tests of the prototype are currently be scheduled for late January. It is anticipated that the exercise will be ready for deployment towards the end of the first quarter of 2022 along with associated academic articles supporting the wider research. There have been issues with paying Bristol due to their request coming after the finical years close however these are being resolved and should not affect the products launch. It is intended that the new incident response exercise will provide practical training to cyber emergence response teams (CERT teams). This body of work will be added to Cyber Griffins current incident response training offering.
9. Regarding future potential partnerships and possible revenue generation, a separate more detailed report has been submitted to senior officers for comment.
10. Cyber Griffin has now completed its CPD accreditation process. The programme now offers CPD accreditations to attendees and does so in a manner that causes minimal administrative strain to the programme which was the central challenge previously.
11. Finally, Cyber Griffin is currently a finalist for a number of national policing and security awards and was most recently a runner up for NPCC cyber team of the year. The results the other national awards will be announced in December 2021. Write awards update.

Conclusion

12. Cyber Griffin has experienced a period of steed growth and achieved, in many cases exceeded, its local and national performance targets. The initiative continues to enjoy an extremely high reputation within the cyber security community and remains sustainable on current staffing for the time being. The central and increasingly pressing guidance the programme now requires is on the subject of finance and developmental direction. Funding reports, performance reports and developmental reports have all been submitted but the programme is still awaiting guidance on a clear financial and developmental plan.

Contact:

Charlie Morrison
Detective Sergeant
Cyber Griffin Team
Charlie.morrison@cityoflondon.police.uk

This page is intentionally left blank

Committee(s): Economic & Cyber Crime Committee	Dated: 28/01/2022
Subject: Innovation & Growth – Update of Cyber & Economic Crime related activities	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 6, 7
Does this proposal require extra revenue and/or capital spending?	No
What is the source of Funding?	NA
Report of: Innovation & Growth	For information
Report author: Mary Kyle - Head of FPS Technology	

Summary

The core objective of Innovation & Growth (IG) is to strengthen the UK’s competitiveness as the world’s leading global hub for financial and professional services (FPS). This includes promoting the strengths of the UK’s offer and enhancing the UK’s position as a leader in FPS technology and innovation.

As the national lead force for fraud and cyber, the City of London Police (CoLP) plays a central role in helping to build a resilient and secure eco-system in which both individuals and businesses across the UK can operate safely. This goes to the heart of the UK’s competitiveness and so the work of IG and CoLP is very much aligned.

The purpose of this report is two-fold:

- a. To summarise activity taking place across IG which is relevant to cyber and economic crime; and
- b. To update on projects involving IG and CoLP cross-team working.

Links to the Corporate Plan

1. The activities set out in this report help deliver against the Corporate Plan’s aim to support a thriving economy. This includes outcome 6c - to lead nationally and advise internationally on the fight against economic and cybercrime. It also supports outcome 7, positioning the UK as a global hub for innovation in financial and professional services.

Main Report

Background

2. Cyber and economic crime continue to be a major focus for many of IG’s stakeholders. This can be due to growing cyber threats faced by businesses or because companies that we engage with are developing solutions to help prevent or protect against cyber and fraudulent threats. In speaking with stakeholders and responding to queries on these topics our relationship with CoLP plays a vital role. By increasing collaboration between the IG and CoLP teams we can each progress our activities and engagement more effectively and efficiently.

Innovation & Growth activity

Competitiveness Benchmarking Report

3. On 27 January, IG launched the second edition of its annual competitiveness benchmarking report (copy attached). The report assesses London and the UK's offer to FPS using 95 data metrics across five key competitiveness criteria:
 - Innovative ecosystem (tech, sustainable finance)
 - Reach of financial activity
 - Resilient business infrastructure (physical & digital connectivity, operational & cyber resilience)
 - Access to talent and skills (skills levels, international talent, quality of life)
 - Enabling legal & regulatory environment (regulatory stability & innovation, tax, market access)
4. London and the UK are benchmarked against, New York City (US), Singapore, Hong Kong, Frankfurt (Germany), Paris (France) and Tokyo (Japan). Overall, the UK demonstrated that the depth and breadth of its offer make it a world-leading centre for FPS. While challenges such as physical connectivity have hit London harder than some, given the UK's role as a global hub for business travel, over the past year the UK's capability to innovate has further strengthened, and FPS firms across sectors have remained strong.
5. The UK is the only centre to perform consistently well across all five dimensions highlighted in the report. London was ranked the most competitive in terms of its offer, with the top score in terms of its position as an innovative ecosystem. For resilient business infrastructure London was ranked second behind Singapore.
6. The section of the report on operational, digital and cyber resilience is particularly relevant to this Committee. London's strengths in this area include its high ranking in ITU's Global Cybersecurity Index and the UK's status as a global leader in combating illicit finance according to the Basel AML Index. However, the need for progress to keep pace with other international centres was also flagged. The country's digital infrastructure is seen to be lagging behind other areas, with low broadband speeds cited as an area where the UK must seek to improve.
7. There was some engagement from CoLP in the early stages of compiling the report. IG would be very happy to work more closely with CoLP on future editions and to share more information about the detailed findings with those across the City Corporation and CoLP who are interested.

Innovation & Growth/City of London Police cross-team working

8. We continue to use this report to review those activities which demonstrate the benefits of IG and CoLP collaboration. At the same time, IG is always alive to opportunities to promote the activity of CoLP and support their work as part of our wider stakeholder engagement.

Collaboration

9. **Cyber Security Innovation Challenge** – IG has confirmed its partnership with Microsoft to run a Cyber Security Innovation Challenge on the Digital Sandbox

platform. The Challenge will involve participation from FPS stakeholders who will be announced in the coming weeks. The purpose of the Challenge is to develop tech solutions to help financial services businesses streamline the process for validating their supply chains from a cyber security perspective. The next step is to bring in tech companies with products to meet this Challenge. We and the FPS participants will then work with them to develop their products to meet the market need.

10. CoLP have been supporting the Innovation Challenge by participating in various workshops and providing input on the Challenge topic. There are also plans for CoLP to engage with some of the tech companies that are involved and to share relevant experience in this area. Having CoLP involved in the Challenge has been extremely useful both in terms of adding an additional layer of credibility and understanding, but also in terms of the valuable insights that they have been able to share.
11. **Faculty footfall project** – IG was approached in late 2021 by Jonathan Frost from Faculty about a project that was being run to estimate footfall across the Square Mile. CoLP and IG worked together to engage with Faculty and CoLP were able to provide access to certain relevant data to help inform the project. As a result, Faculty developed a successful method of estimating future footfall which was presented back to IG and CoLP in mid-January. Given the potential relevance of the project to policing and City activities more broadly CoLP and the City Corporation are considering any further possible application or engagement with the project that could be of benefit.

Promotion of CoLP activity

12. IG continues to look for opportunities to promote CoLP activity and engage CoLP in discussions that are taking place with stakeholders. Key examples from the previous quarter include:
 - a. IG setting up a meeting with the Confederation of British Industry on cyber security which brought in CoLP to discuss their work. The meeting provided a good opportunity for CoLP to highlight key areas of work relevant to CBI's broad business membership. Discussions took place about CBI's ability to promote some of the CoLP initiatives to their members and across broader networks. It also provided an opportunity for CoLP and IG to learn more about CBI's own activities in relation to cyber security and discuss areas where we may be able to work together in the future.
 - b. IG continuing to support CoLP in reaching out to possible Ambassadors for the National Cyber Resilience Centre Group. This involves working through IG's Relationship Manager Network to flag those businesses likely to have a particular interest in the Ambassador Role. IG and CoLP can then collaborate to provide further information to those businesses and encourage them to get involved.

Conclusion

13. As the relationship between IG and CoLP continues to strengthen there are an increasing number of opportunities to collaborate. There is a mutual interest and ability to strengthen each other's work and offer to our respective stakeholders. Over the coming year and as IG looks to develop business and team plans, we will continue to build on this. A key component will be to maintain the regular dialogue

between the two teams and increase the number of projects on which we can work more closely together.

Mary Kyle

Head of FPS Technology

Innovation & Growth

T: +44 (0)7834 808 240

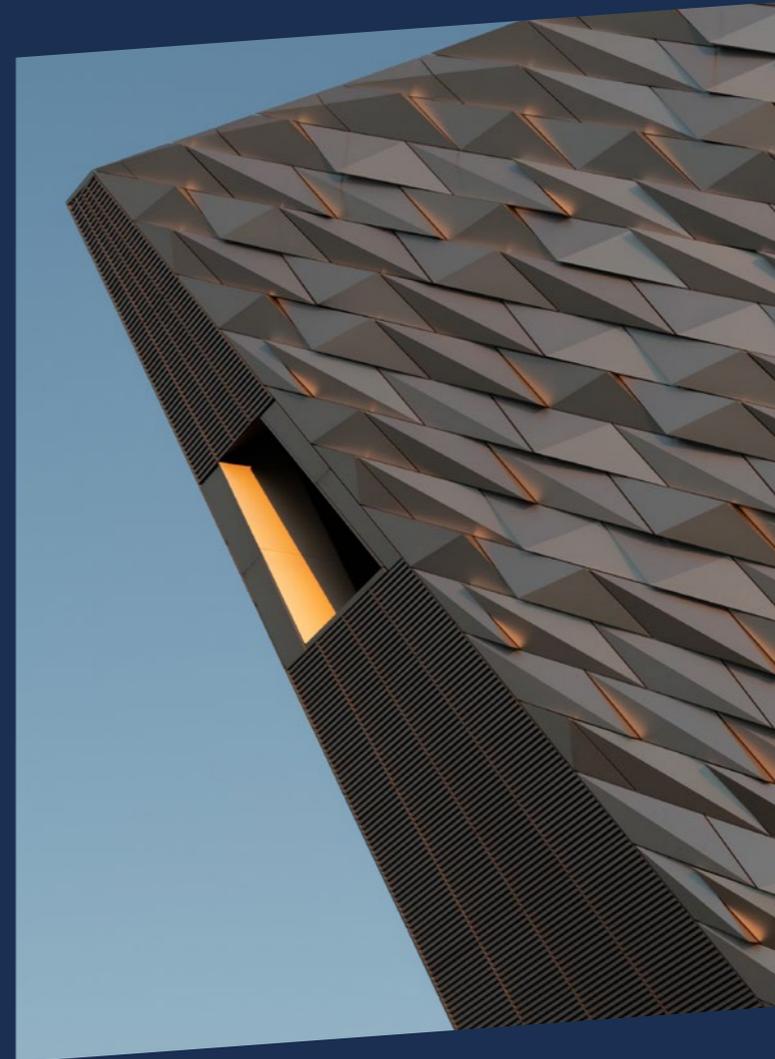
E: mary.kyle@cityoflondon.gov.uk



THE GLOBAL CITY

Our global offer to business: London and the UK's competitive strengths in a critical time

Page 43



[Click to begin](#)

Contents

Foreword



Alderman Vincent Keaveny
Rt Hon Lord Mayor of the
City of London



Catherine McGuinness
Policy Chair of the City
of London Corporation

Pandemic recovery, digital transformation, climate change: finance is key to overcoming global challenges. And, as the gateways to global capital, international financial centres have an essential role to play.

In this report, we identify the competitive strengths of the UK as an international centre for financial and professional services. We highlight challenges and opportunities. And we note areas for growth.

Our fundamental strengths remain: a global outlook, a world-class business environment and a skilled and entrepreneurial workforce. Stretching from Glasgow to Cardiff, from Belfast to London, financial and professional services in the UK are innovative. They are globally connected and provide services to partners around the world.

But the UK's future success is not preordained. We must give people the skills and opportunities to thrive and progress. The UK's infrastructure must be fit for the future, making us more competitive and allowing us to reach net zero. We also need to remain open to trade and investment from around the world.

The City of London Corporation is dedicated to ensuring a vibrant and thriving Square Mile, within a diverse and sustainable London, as part of a globally successful UK. It is one of our priorities to support the UK's position as a leading centre for financial and professional services.

This report is the second annual study of the UK's global offer to business – a central building block in our work to ensure the long-term competitiveness of the UK as an international financial centre. It highlights the opportunities ahead.

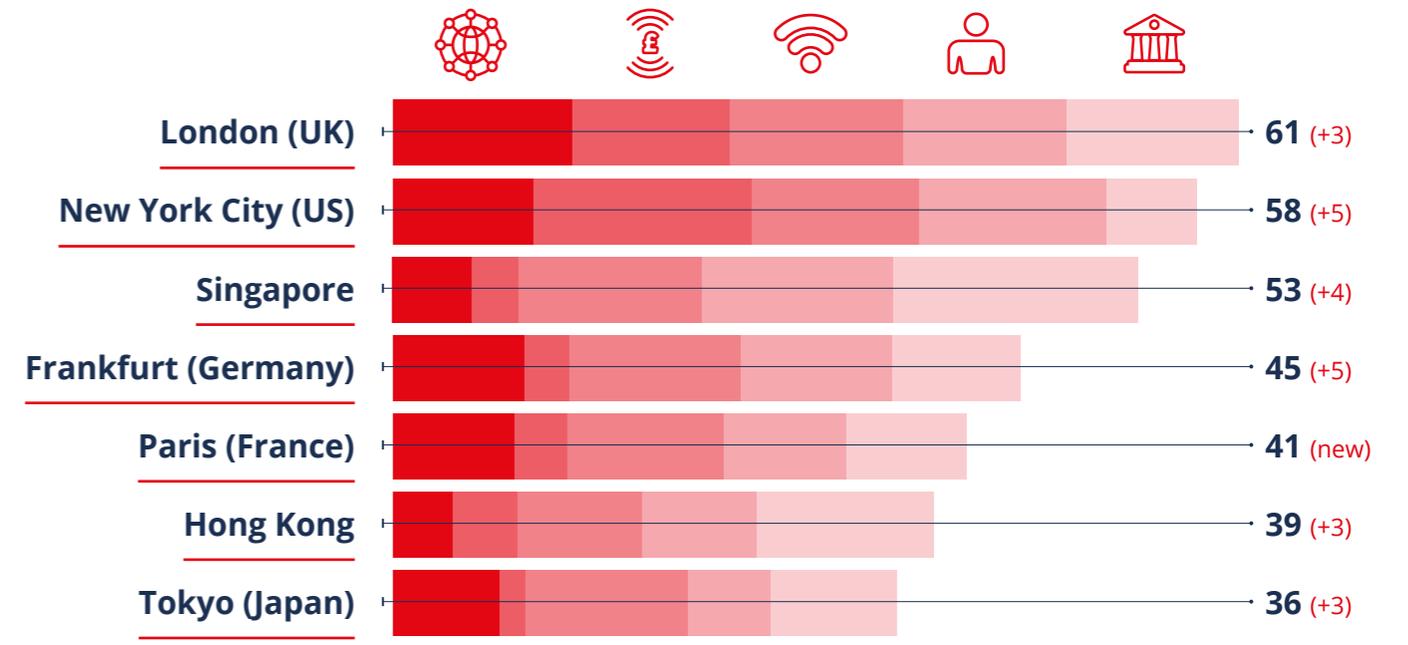
It demonstrates what we can learn from other global centres. But it also evidences London and the UK's enduring competitive offer.

We are determined to secure our competitive offer going forward, and we look forward to working with you all on this.

Our global offer to business: London and the UK's competitive strengths in a critical time

This second edition of the City of London Corporation's global benchmarking study takes place while centres across the world are responding and adapting to significant challenges and change. COVID-19 continues to challenge global economies and physical flows, to accelerate the pace of digital change, and to necessitate new ways of working. In addition, climate change requires the support of global finance for global solutions. And despite continuing geopolitical shifts, we need global cooperation to effectively address these challenges.

Page 45



Key:  Innovative ecosystem  Reach of financial activity  Resilient business infrastructure  Access to talent and skills  Enabling regulatory and legal environment

Note
Bracketed numbers show year-on-year change.

This report examines what makes international financial centres competitive through five core dimensions: innovation, financial reach, infrastructure, talent and business environment. Reinforcing the key role of financial centres in their national and regional economies at this critical time, all the centres examined in this study have remained resilient. They are playing a key part in supporting economic recovery. And they have all strengthened their offers in

various ways: the US saw more financial activity than ever; Hong Kong supercharged its digital infrastructure; Singapore further improved aspects of its regulatory system. Overall, the UK is the only centre to perform consistently well across all five dimensions. Once again it demonstrates that the depth and breadth of its offer make it a world-leading centre for financial and professional services. While

challenges such as physical connectivity have hit London harder than some, given the UK's role as a global hub for business travel, over the past year the UK's capability to innovate has further strengthened, and financial and professional services firms across sectors have remained strong.

This new edition in the series 'Our global offer to business' helps explain how the challenges these centres have faced in the past year

have affected their competitiveness – disruption to international travel, the need for increased use of technology across all stages of supply chains, the importance of agile regulatory frameworks – and how centres, in particular London and the UK, have responded. Given the critical importance of sustainable finance, this year's edition adds new metrics on green finance activity across all asset classes. And for the first time it includes Paris (France) as a second European comparator centre.

In these fast-changing times, all centres have opportunities to learn from each other and grow. For the UK, it is essential to maintain its enduring competitive offer and future focus. As this study shows, while responding to the challenges of the past twelve months, the UK continues to have a leading innovative ecosystem, its financial markets are boosted by international activity, and its regulatory regime for financial services remains the most favourable in the world. There

will undoubtedly be considerable change to come in the next year, so understanding how centres adapt – and thrive – will be key.



Page 46



Innovative ecosystem

1. London (UK) | 2. New York City (US) | 3. Frankfurt (Germany)

Financial and professional services in the UK are part of the world's most innovative ecosystem. Businesses have access to a globally connected market, future-focused talent and strong policy support. The UK is pioneering ideas and products in tech and bringing sustainable finance into the mainstream. The interplay of these elements continues to create a one-of-a-kind ecosystem that helps businesses succeed and shapes the future of global financial services.



71

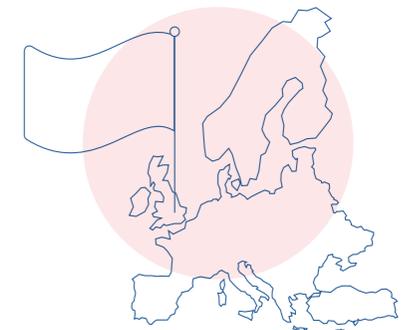
of Europe's 268 unicorns – startup companies valued at over \$1bn – have their home in London



Reach of financial activity

1. New York City (US) | 2. London (UK) | 3. Hong Kong

The size of financial markets in the US is the largest worldwide – a reflection of the size of the US economy. The UK's financial markets are boosted by their international activity. The UK remains the most globally connected banking centre and provides financial services to partners around the world. It is the world's largest centre for international debt issuance, commercial (re)insurance and foreign exchange trading, and is becoming an increasingly attractive centre for asset management. Listing rules changes in the coming years will make the UK and London Stock Exchange an even more attractive market for foreign companies to raise capital.



The UK remains Europe's leading centre for asset management



Page 47

Resilient business infrastructure

1. Singapore | 2. London (UK) | 3. Frankfurt (Germany)

Businesses located in London and the UK continue to benefit from unrivalled global connectivity and strong operational resilience. The UK's location on the world map and favourable time zone make it easy for firms to cover major markets from a single location. Its leading cyber security and anti-money laundering frameworks, as well as its digital security measures, provide firms with a safe business environment. But the country's digital infrastructure needs an upgrade to offer businesses and individuals faster and more reliable internet connections.



London increased its share of headquarters of Fortune Global 500 firms **by more than a third**

Access to talent and skills

1. Singapore | 2. New York City (US) | 3. London (UK)

World-leading universities and MBA programmes, an international workforce and a high quality of life driven by a rich cultural scene make London and the UK a global financial centre where financial and professional services firms can find great talent. With a strong supply of digital skills in Singapore, and a US business environment that is increasing its attractiveness to international talent again, the UK needs to address skills gaps and remain open to people from around the world to become more competitive in the future.



19%

of the UK's total university enrolment is made up of **international students**

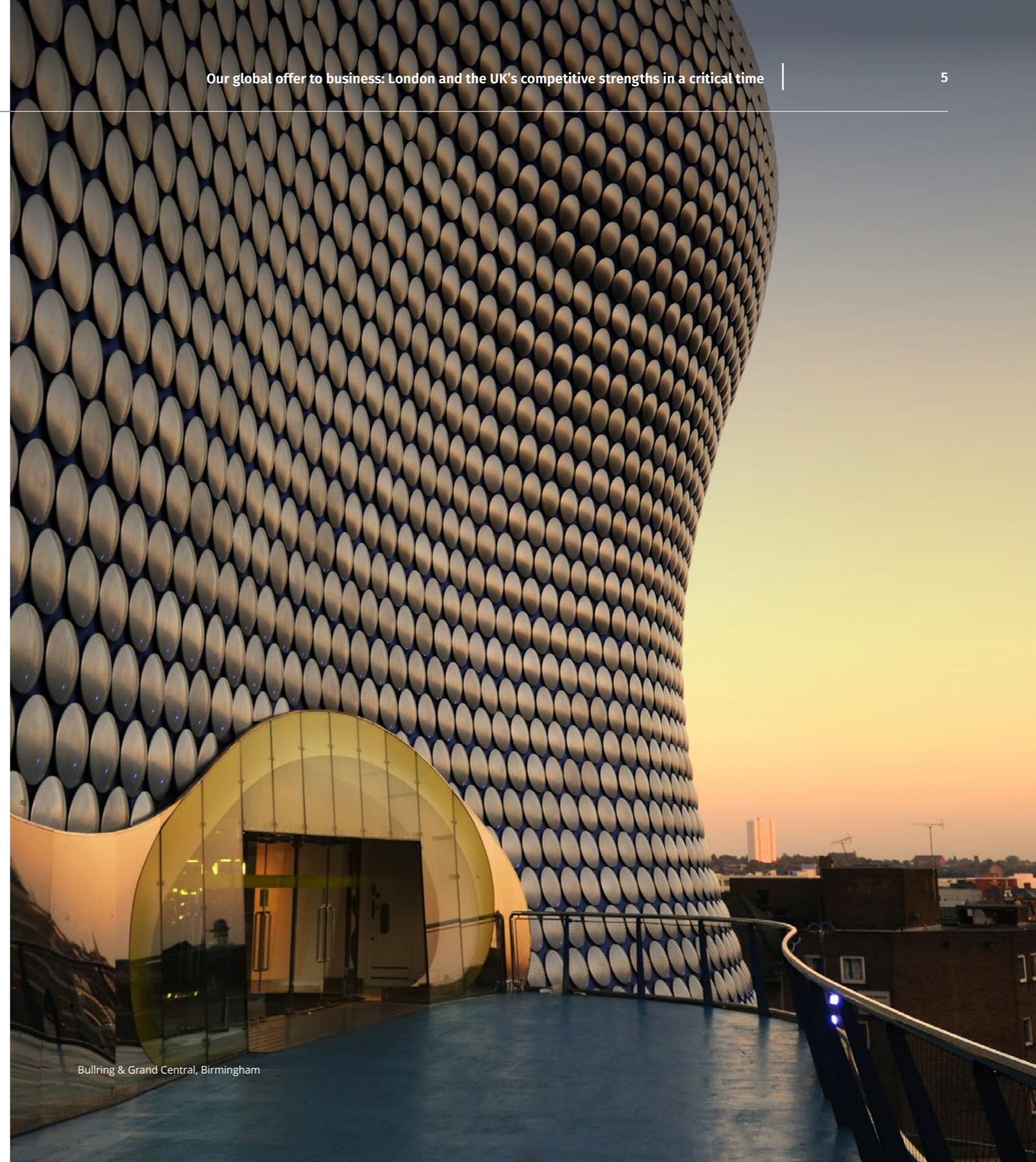


Page 48  **Enabling regulatory and legal environment**
1. Singapore | 2. Hong Kong | 3. London (UK)

The UK continues to have the most favourable regulatory regime for financial services. Firms located in the UK benefit from innovative regulators, a strong legal system and a transparent business environment. However, the tax and contribution rates of banks in the UK are higher than in other centres. Services trade is at the heart of the UK's economy and needs to be central in new economic relationships with the rest of the world if the UK is to maintain open market access. And governments around the world, including in the UK, need to renew business confidence in the effectiveness of regulation and policymaking.



The UK has the most favourable regulatory regime for financial services



Bullring & Grand Central, Birmingham



1. Innovative ecosystem

Financial and professional services in the UK are part of the world's most innovative ecosystem. Businesses have access to a globally connected market, future-focused talent and strong policy support. The UK is pioneering ideas and products in tech and bringing sustainable finance into the mainstream. The interplay of these elements continues to create a one-of-a-kind ecosystem that helps businesses succeed and shapes the future of global financial services.

Page 49



Metrics

1. Fintech investment
2. Number of fintech investment deals
3. Number of unicorns
4. Sandboxes (e.g. regulatory or digital) (yes/no)
5. Open banking (yes/no)
6. Share of financial and professional services (FPS) and tech-relevant graduates
7. Digital skills among population
8. Adoption rate of fintech
9. Number of patent applications, per resident
10. Green and ESG bonds, overall amount outstanding
11. Green and ESG bonds, annual issuance
12. Sovereign green bond (yes/no)
13. ESG scores of listed companies
14. Size of domiciled sustainable funds
15. Size of sustainable loan issuance
16. Number of M&As involving sustainable companies
17. Number of FPS firms with science-based climate targets
18. Number of firms reporting in line with Task Force on Climate-related Financial Disclosures (TCFD) principles
19. Signatories to UN Principles of Responsible Investment
20. Signatories to UN Principles of Sustainable Insurance
21. Signatories to UN Principles of Responsible Banking
22. Sustainable stock exchange (yes/no)
23. Stock exchange with a sustainable bond segment (yes/no)
24. Sustainable finance taxonomy (yes/no)
25. Better World MBA ranking
26. CDP A-list ranking

1.1 Tech and innovation

The UK has a world-class fintech offering: it brings together innovative minds, supportive policymakers and the finance required for ideas to take off. The UK's tech ecosystem provides a strong alternative to the US, which has less regulatory coordination, and Asian centres, which lack market size and activity. Improved digital skills will give the UK's innovation capability a further boost in the future.

The UK's regulatory environment continues to be at the forefront of innovation. Government and regulators are committed to keeping the UK at the global cutting edge of technology, and London's innovative ecosystem creates market access and client development opportunities.

With innovative new products and services being increasingly data-centric, the UK's Financial Conduct Authority created the world's first regulatory digital testing environment in 2020. The 'digital sandbox', piloted in partnership with the City of London Corporation, provides additional support to innovators by giving them access to synthetic data assets, an application programming interface (API) marketplace, a coding environment, as well as access to mentors and observers. A further 'lawtech sandbox' fast-tracks transformative ideas, products and services that address the legal needs of businesses and society.

To continue the nation's tech and fintech successes, the UK government commissioned an independent review of UK fintech, conducted by Ron Kalifa OBE. Published in February 2021, it sets out a series of proposals for how the UK can build on its existing strengths, create the right framework for continued innovation and help UK firms expand. At an international level, the Financial Conduct Authority chairs the Global Financial Innovation Network (GFIN) and helps innovative firms navigate between countries as they look to scale and test new ideas.

Case study

Simmons Wavelength: why the UK was the natural place for their launch

The UK has a really strong regulatory regime and there are initiatives like the UKLTA's Innovation Sounding Board where like-minded people can share ideas or bodies like Tech Nation that are doing a lot to promote growth in the legal sector. The UK is a space where folks are not afraid of collaboration. I've seen competitors time and time again join up for the greater good. That is not something that you find in most markets.

London being a global city also helps us to attract global talent. It is a very easy and attractive place for people who want to impact change on a global scale.

Erika Concetta Pagano

Head of Legal Innovation and Design, Simmons Wavelength

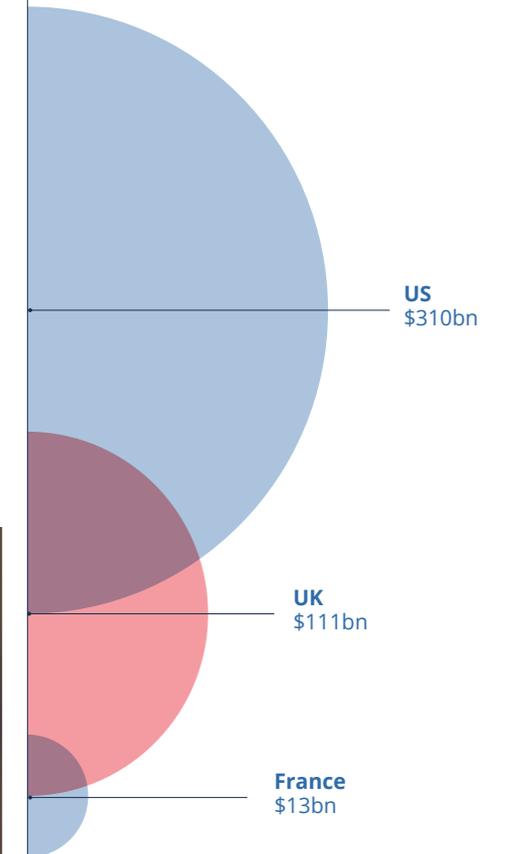
→ [Find out more at theglobalcity.uk](https://theglobalcity.uk)

The UK's tech ecosystem is one of the most competitive in the world: in size and activity second only to the US, it offers a wealth of opportunities to both fintech founders and investors.

London is home to one of the biggest and most diverse financial services clusters in the world. In 2021, its startup ecosystem ranked second globally behind the Silicon Valley. The UK's fintech sector benefits from this deep and broad ecosystem. Between 2016 and 2020, across more than 1,380 venture capital, private equity and M&A deals, investors poured \$111bn into UK-based fintechs. With the pandemic

accelerating commercial use of tech solutions, the UK saw a further \$24.5bn of fintech investment in the first half of 2021. UK fintech firms attracting investment are diverse and come from subsectors such as payments, wealthtech, insurtech, regtech and cyber security. To provide additional support to growth-stage fintechs, the Financial Conduct Authority is taking forward the Kalifa Review recommendation to create a regulatory 'scalebox'. A further proposal to amend listings rules to make the UK a more attractive location for tech IPOs, and subsequent steps taken, are

Total fintech investment between 2016 and 2020:



already bearing fruit. Tech and consumer internet firms accounted for 40% of all capital raised through initial public offerings (IPOs) on the London Stock Exchange in 2020. In 2021, there were more blockbuster IPOs by fintech companies such as Wise, Darktrace and PensionBee. They saw a combined valuation of more than £10bn.

Sources

KPMG/PitchBook 2021, Startup Genome 2021, Tech Nation 2021.



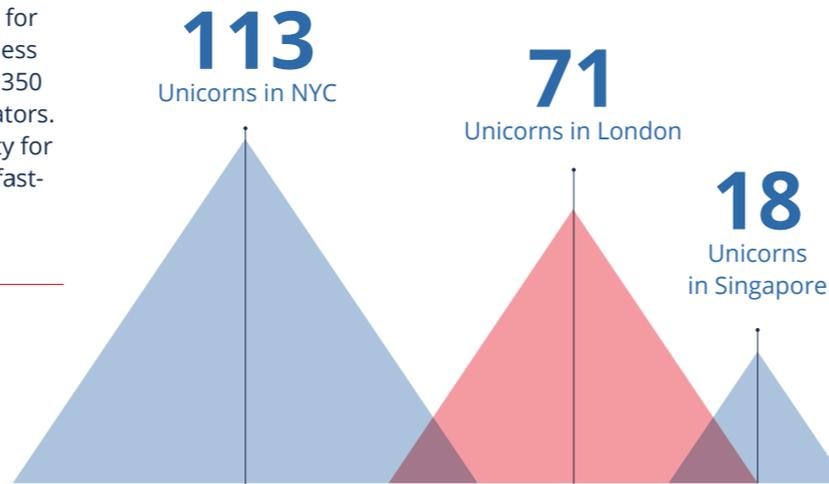
London is Europe's capital for tech and innovation, and it is home to more than a quarter of Europe's unicorns.

Of Europe's 268 unicorns – startup companies valued at more than \$1bn – 71 have their home in London. This makes the UK's capital by far the biggest unicorn hub in Europe, and the fourth biggest in the world. And the trend points upwards: since 2015, the UK has seen a threefold increase in its number of unicorns. It is testament

to the UK's strong environment for tech firms and innovative business ideas, supported by more than 350 startup incubators and accelerators. This provides ample opportunity for investors looking to invest in a fast-paced, high-growth sector.

Sources

dealroom.co/sifted 2021, Tech Nation 2021.



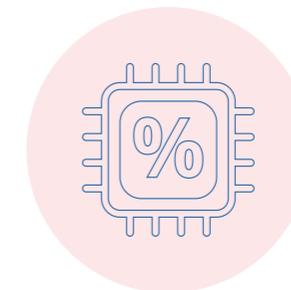
Page 51



Cardiff Bay



The UK has the highest consumer fintech adoption rate of all global financial centres, reflecting a fast-growing industry, widespread awareness and a large customer base.



71%

The UK's fintech adoption rate

Of all comparator centres, the UK's population is most ready to embrace innovation in financial services – with 71% of the digitally active population having adopted fintech solutions already. This compares with 67% in Singapore and Hong Kong, 64% in Germany, 46% in the United States, 35% in France and 34% in Japan. Fintech adoption is growing across all markets and the UK is at the forefront. The UK's adoption rate reflects a fast-growing industry and widespread awareness. The increasingly growing customer base will have positioned the UK well to cope with the accelerated demand driven by the COVID-19 pandemic.

Source

EY 2019.

The UK's graduates and entry-level talent base continue to be a globally unrivalled resource for the tech sector.

The UK offers a graduate pool that is well equipped to help tech firms provide innovative financial and professional services. The country continues to have a higher share of graduates in natural sciences, mathematics and statistics, and information and communication technology than other global financial centres. Universities such as Imperial College London and the University of Birmingham run dedicated masters degree courses in financial technology, and many more include fintech modules in their wider programmes.

Page 52

Source

World Economic Forum 2020.

Share of graduates in **natural sciences, mathematics and statistics, and information and communication technology** in 2019:

UK
17.4%

Singapore
14.7%

Germany
12.6%



Digital skills remain a global challenge. The UK is taking active steps with targeted upskilling efforts to prepare its workforce for a digital future.

The pandemic has accelerated demand for digital services both in the UK and worldwide. However, according to the World Economic Forum, the extent to which people possess the digital skills needed to fulfil this demand has decreased between 2019 and 2020. Executives surveyed stated that digital skills are now in shorter supply across financial centres around the globe.

The shortfall is a bigger problem in the UK than in the US or Singapore, but is most pronounced in France and Japan. Initiatives such as FutureDotNow are helping people and businesses across the UK to boost their digital skills. In addition, the Financial Services Skills Commission, supported by the City of London Corporation, is working with firms to better identify and address skills gaps via a dedicated training framework.

Source

UNESCO 2019.

1.2 Sustainable finance

The future of finance is green, and Europe is at the forefront of sustainable finance. While other world regions are catching up, London remains the only financial centre that tops both conventional and green financial centre rankings. After hosting COP26 in 2021 and securing strong commitments on financing net zero from across the financial services industry, the UK will now further develop itself as a one-stop shop. It aims to become the easiest place for sustainable finance, where global actors can find the fullest spectrum of services and products across the value chain.

Page 53

With the world transitioning to a zero-carbon economy, UK financial and professional services are leaders in setting targets to reduce their emissions in line with climate science.

Setting science-based climate targets makes business sense – it future-proofs growth, saves money, provides resilience against regulation, boosts investor confidence and spurs innovation and competitiveness. UK-based financial and professional services have strong green credentials: as of October 2021, 43 firms had set targets in line with the newly established Science Based Targets initiative (SBTi) to reduce their emissions and meet the goals of the Paris Agreement. This compares with 13 in the US, 12 in Japan and considerably fewer in other financial centres. A further 49 UK financial

and professional services firms are committed to setting targets. They are supported by initiatives and action from within the industry – for example, the Climate Change Roadmap by the Association of British Insurers (ABI). They can also count on thought leadership and expertise from UK institutions such as the Green Finance Institute.

Source

Science Based Targets initiative 2021.



Across all sectors of financial services, market players in the UK are highly committed to sustainable principles – and government and regulators are setting out measures to further drive this.

Businesses seeking funding for sustainability projects can find investors with the appetite and expertise to invest in green in the UK. UK asset owners and investment managers lead the assessment on implementation of responsible investment for the United Nations Principles for Responsible Investment (PRI). As of October 2021, there were 676 UK PRI

Sources

TCFD 2021, PRI 2021, PRB 2021, PSI 2021.

signatories with more than £8.8tn assets under management – second only to the US. More UK insurance firms have signed the UN Principles for Sustainable Insurance (PSI) than insurance providers in the US or Asia, and more banks support the Principles for Responsible Banking (PRB) in the UK than in any other global financial centre.

This commitment is turning to action: the value of responsible investment funds under management in the UK has almost doubled in a year. And it will further be driven by the UK government's plan to develop the UK into the world's first net zero aligned financial centre. The plan includes implementing a green taxonomy; asking asset managers, regulated asset owners and listed companies to publish transition plans; and mandating climate reporting in alignment with TCFD principles. This will bring ESG disclosure and sustainable investment into the mainstream and promote best practices locally and internationally.

Additionally, the City of London Corporation has been selected as a founding sponsor of the Integrity Council for Voluntary Carbon Markets (IC-VCM), a global body that will oversee standards in the voluntary market. The Green Finance Institute will play a key role in coordinating the body's executive secretariat, and the British Standards Institution will provide granular expertise on standard-setting.

The UK is an attractive market for sustainable investors, with listed companies on the London Stock Exchange achieving high ESG ratings.

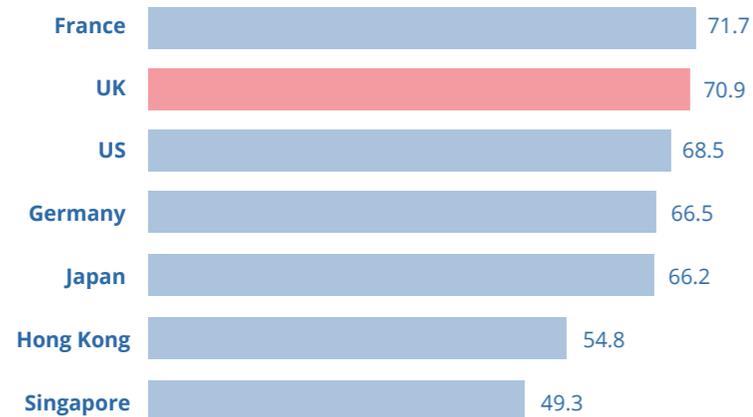
In 2020, the average environmental, social and governance (ESG) score of the top 100 companies listed on the London Stock Exchange was 70.9 – higher than all comparator centres apart from France. Between 2016 and 2020, this average ESG score improved by 11% – faster than in Germany, France and the US. ESG scores in Asia are improving even faster, but from a lower starting point. This suggests that the UK is an attractive market for sustainable investors, and that other markets are looking to the UK as an example and ESG leader.

Page 54

Source

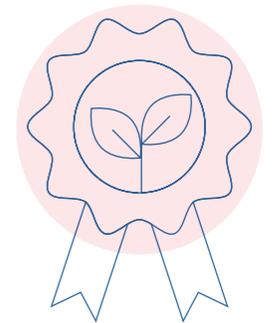
Refinitiv 2021.

Listed companies on the London Stock Exchange achieved high average ESG ratings in 2020:



The first Green Gilt, the largest inaugural green sovereign issuance ever, has underlined the UK's sustainable finance commitment and offer.

With its long-awaited green sovereign issuance in September 2021, the UK joined France, Hong Kong and Germany in the group of global financial centres that have issued green debt. Investor demand reflects the interest in the UK's green transition: the UK's first Green Gilt was the largest inaugural green issuance by any sovereign, with the largest ever order book for a sovereign green transaction. The initial £10bn raised will be used to fund zero-emission buses, offshore wind farms and schemes to decarbonise homes and buildings. A second issuance raised a further £6bn. The UK also issued the first standalone retail Green Savings Bonds, giving savers the opportunity to help address the challenge of climate change.



The UK had the **largest ever** green sovereign bond issuance

With the UK's comprehensive ecosystem championing sustainable finance, activity is growing across asset classes – particularly in equity markets.

Sustainable finance market activity is picking up across asset classes in the UK, albeit at different speeds.

In debt markets, the UK still has room to grow. In 2020, green and ESG bonds worth nearly \$12bn were newly listed on the London Stock Exchange. This was a 52% increase year-on-year, and the highest volume yet, but the figure trails the amounts raised in France (\$16bn), Singapore (\$20bn) and Germany (\$60bn). In the same year, UK issuers closed £21bn worth of sustainable loan facilities – more than the £17bn closed in Germany but less than in France (£26bn) and the US (£36bn).

In equities, the UK is in a stronger position. The size of the more than 80 newly launched green, ethical and alternative energy funds in the UK in 2020 was much bigger than in other centres – £21bn in the UK versus £12bn in Japan and £6bn in France. In addition, 24 UK-based 'green' companies were acquired, making the UK the second largest market for sustainable mergers & acquisitions (M&A) activity in 2020, behind the US.

Source
Refinitiv 2021.

In 2020, **the UK's sustainable finance market** saw more activity than ever before:



Issuance of Green & ESG bonds:
+52%
year-on-year

Size of newly launched green, ethical, alternative energy funds:
+116%
year-on-year

Size of sustainable loan facilities closed:
+12%
year-on-year

Case study

NatWest Group: why the UK is a great market for climate and sustainable finance

Beating climate change will require collaboration and the UK is a great spot for this with its international mix of students in our excellent universities to the diverse communities here which bring people together. The UK is also a great market for climate and sustainable finance. It is a long-standing financial centre and there is a lot of experience and knowledge.

There are also a lot of the right partners here in the UK such as the Green Finance Institute and we have had leadership from the Bank of England and these have helped to bring people together across sectors such as pensions, insurance and banking. We are seeing a sea change in how all parts of the circle of capital view sustainable finance and London is uniquely positioned to really champion that.

Rishi Madlani

Head of Sustainable Finance and Just Transition, NatWest Bank

[Find out more at theglobalcity.uk](https://theglobalcity.uk)

The UK's pool of talent is future-ready and prepared to work on achieving ambitious climate goals, with three of the five most sustainable business schools worldwide located in the country.

The UK is well placed to produce a talent pipeline that is trained and skilled in sustainability matters. In 2020, the UK government, the Green Finance Institute and 12 leading financial professional bodies launched the Green Finance Education Charter. The Charter demonstrates a commitment to

integrating green finance and sustainability into core curricula, new qualifications and the continued professional development within member organisations. Analysis shows that UK-based business schools already achieve high sustainability scores. In the Better World MBA ranking, which assesses factors such as the number of sustainability institutes and sustainability integration in core courses, Warwick Business School

and the University of Bath's School of Management claim second and third place after Griffith Business School in Australia. Access to skilled talent will be a crucial success factor in a global economy that is turning green, and the UK has a rich supply and future pipeline.

Source
Corporate Knights 2020.





2. Reach of financial activity

The size of financial markets in the US is the largest worldwide – a reflection of the size of the US economy. The UK’s financial markets are boosted by their international activity. The UK remains the most globally connected banking centre and provides financial services to partners around the world. It is the world’s largest centre for international debt issuance, commercial (re)insurance and foreign exchange trading, and is becoming an increasingly attractive centre for asset management. Listing rules changes in the coming years will make the UK and London Stock Exchange an even more attractive market for foreign companies to raise capital.

Page 56



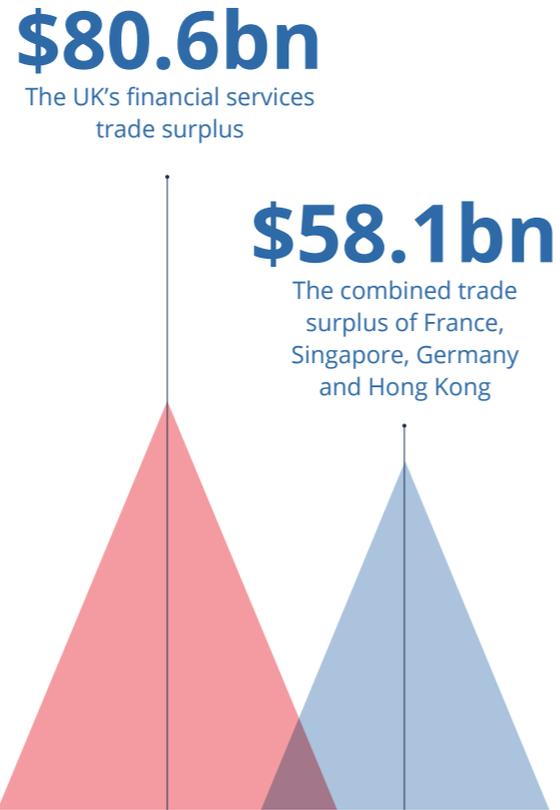
Metrics

- 27. Assets under management
- 28. Investment funds
- 29. Net financial services exports
- 30. Foreign direct investment in financial services
- 31. Number of foreign companies listed
- 32. Number of IPOs by foreign companies
- 33. Value of IPOs by foreign companies
- 34. Value of foreign equity trading
- 35. International debt securities, amount outstanding
- 36. International debt securities, gross issuance
- 37. Cross-border banking
- 38. Foreign exchange trading turnover
- 39. Over-the-counter interest rate derivatives trading turnover

The UK's international financial reach continues to be unmatched. Against the backdrop of a challenging 2020, UK financial services exports increased and the UK's trade surplus remains higher than in all other global financial centres.

Financial services firms located in the UK benefit from deep and global connections. In 2020, against the backdrop of a challenging year, the UK's financial services trade surplus increased to \$80.6bn. This is an 8% year-on-year increase. The surplus was higher than the US's net financial services exports (\$66.9bn) and higher than the value of France, Singapore, Germany and Hong Kong's surplus combined. The US and the EU remain the top destination markets for UK financial services exports, while exports to key Asian markets are increasing. London and the UK's international financial reach continues to be unmatched and demonstrated resilience through the pandemic.

Source
UNCTAD 2021.



Lloyd's of London

Case study

Silicon Valley Bank: serving innovation companies and their investors around the world

The UK is our main hub in the EMEA region and was the first formal international outpost of Silicon Valley Bank. Back in 2005, we found an increasing amount of our clients were using the UK as a jumping off point to cover broader European expansion and several of our US venture capital and private equity clients were starting to do more investments in the region. Since then the activity across the board has increased substantially and the market is really going from strength to strength.

Erin Platts

Head of EMEA and President of the UK Branch, Silicon Valley Bank

→ [Find out more at theglobalcity.uk](https://theglobalcity.uk)

The UK is the fourth largest insurance market in the world and the largest in Europe, with the London Market remaining the largest global commercial (re)insurance hub.

The UK combines a sophisticated domestic market for insurance, including the unique London Market for specialty cover. It is the fourth largest insurance market in the world, and the largest in Europe, with a total premium volume of \$338bn in 2020. Every one of the top 20 global insurance and reinsurance firms is active in London, and the Lloyd's insurance and reinsurance

market operates in more than 200 countries worldwide. Globally, the London Market provides 60% of aviation insurance, 52% of energy insurance and 33% of shipping insurance. Further demonstrating its international connectivity, the London Market's capital is increasingly global in source: 85% of London Market premium is written by companies domiciled outside the UK.

Sources
Swiss Re Institute 2021, London Matters 2020.

London and the UK remain Europe's leading destination for investment in financial services.

The UK is a top destination for financial services foreign direct investment (FS FDI). Between 2016 and 2019, UK financial services' inward FDI stock grew by 14% from \$487bn to \$553bn. This makes the UK the largest destination for FS FDI in Europe. Likewise, London is the most attractive city in Europe for FDI. The UK's capital regained the title from Paris in EY's 2021 UK Attractiveness Survey. On a global scale, the UK is trailing the US and Singapore. In 2019, the US' value of inward FS FDI stock stood at \$947bn, a reflection of the size of the US economy. Singapore is benefiting from high growth rates: between 2016 and 2019, the city state's FS FDI stock grew by 57% from \$485bn to \$763bn.

Sources
OECD 2021, National Statistics Agencies 2021, EY 2021.

Listing rules changes will make the UK and London Stock Exchange a more attractive market for foreign companies to raise capital.

By the end of 2020, 368 foreign companies were listed on the London Stock Exchange (LSE). This made it one of the most international stock exchanges. But between 2019 and 2020, the number of foreign companies listed on the LSE decreased by 4%. This trend contrasts with increasing numbers of listed foreign companies on NYSE and NASDAQ (combined +8% year-on-year), Euronext Paris (+38% year-on-year) and HKEX (+5% year-on-year). Still, with 13 IPOs by foreign companies in 2020, LSE saw more international initial public offerings than Germany, Singapore and Japan combined. In total, the 13 IPOs raised nearly £1.5bn. Listing rules changes proposed by the

UK government and the Financial Conduct Authority will make the UK and London Stock Exchange a more attractive market for raising capital. As recommended by Lord Hill's Listings Review and the independent review of UK fintech, the Financial Conduct Authority is proposing to introduce dual-class share structures, reduce the free-float requirement and review the LSE's listing segments. Together with proposed changes to the prospectus regime and to the way special purpose acquisition companies (SPACs) can list in the UK, this overhaul of the UK's listings regime will make it easier for companies to go public in the UK and tap into the wealth of capital that is available in London.

Sources
World Federation of Exchanges 2021, Refinitiv 2021.



London Stock Exchange, London

The UK is Europe's leading centre for asset management, and its global market share is increasing again.

The UK is becoming a more attractive asset management centre. It is Europe's leading centre, and its global market share is increasing again. The size of assets under management (AuM) in the UK grew by 18.6% between 2019 and 2020 – from \$7.3tn to \$8.6tn – outstripping the 14.5% global average growth of AuM. Subsequently, the UK's global market share increased from 6.9% in 2019 to 7.2% in 2020 – though this is still below the UK's global market

share of 8.6% in 2015. AuM in the US, the world's leading centre for asset management, grew by 13% from \$56.9tn to \$64.5tn between 2019 and 2020. The size of assets managed from France, Europe's next largest centre, grew by 17% from \$6.3tn to \$6.7tn. The value of investment funds domiciled in the UK grew as well – from \$1.9tn in 2019 to \$2.1tn in 2020, a year-on-year growth of 11%.

Sources
Thinking Ahead Institute/Willis Towers Watson 2021, National Statistics Agencies 2021, Investment Company Institute 2021.

Case study

BNP Paribas Asset Management: London is a world-leading asset management centre

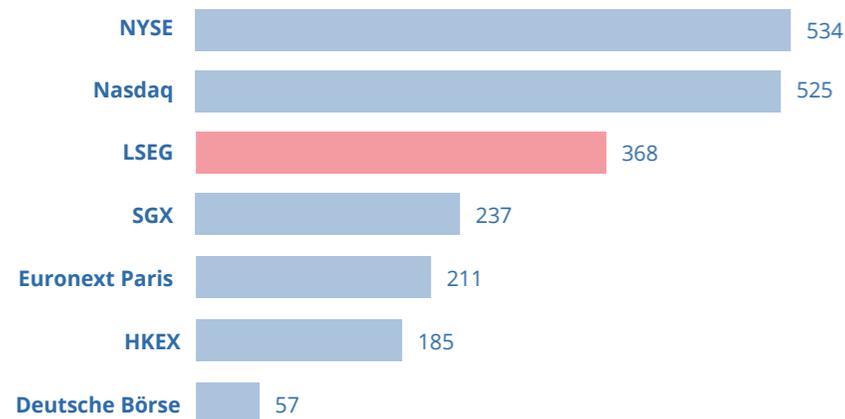
The UK has a very sophisticated and well-developed investor base offering significant opportunities for us in the asset management industry. As an international financial centre, London offers the benefits of language, legal structures that are highly respected globally, and the most sophisticated regulatory environment in the world. I typically speak to people in Asia and North America almost every day, so the time zone that spans Asia and North America is a distinct advantage. The Square Mile of the City of London is also a concentrated area within which to access senior management at many of the companies we invest in.

Roger Miners

Global CMO and CEO Asset Management UK, BNP Paribas Asset Management

[Find out more at theglobalcity.uk](https://theglobalcity.uk)

At the end of 2020, **368 foreign companies** were listed on the London Stock Exchange:



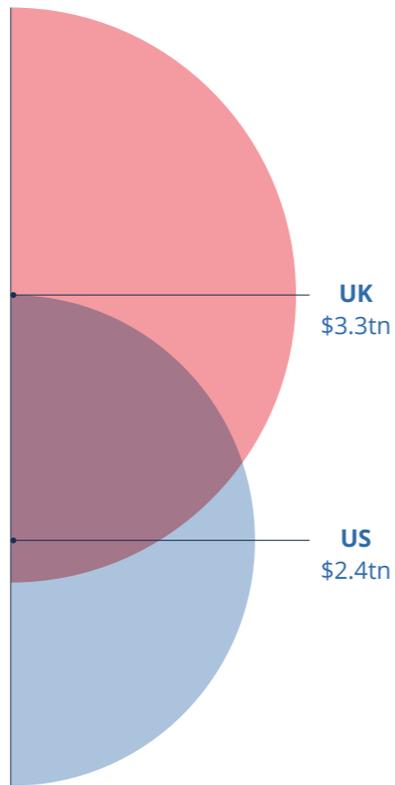
Of all global financial centres, the UK remains the biggest centre for issuance and trading of international bonds.

The UK's international reach and deep capital markets are demonstrated by its status as a major centre for issuing and trading international bonds. At the end of 2020, the UK's outstanding value of international bonds was the largest in the world, totalling more than \$3.3tn – a year-on-year increase of 3% and an increase of 18% since 2016. This compares with \$2.4tn in the US, \$1.5tn in France, \$1.4tn in Germany and considerably less in financial centres located in Asia. During 2020, gross issuance of international bonds in the UK reached nearly \$1tn – 60% more than the \$0.6tn issued in Germany, and more than in the US, France and Japan combined.

Page 59

Source

Bank for International Settlements 2021.



At the end of 2020, the UK's outstanding value of international bonds was the largest in the world and totalled \$3.3tn



The UK is home to the most international and globally connected banking sector, with France closing in.

The UK is the world's largest centre for cross-border banking: 15.2% of the outstanding value of international bank lending at the end of 2020 was owed to banks located in the UK – more than \$5.4tn. Likewise, with a share of 17.7%, the UK was the largest centre for cross-border borrowing. This puts the UK ahead of France (lending: 12.6%, borrowing: 15.5%), Japan (lending: 12.1%, borrowing: 4.7%) and the US (lending: 9.5%, borrowing: 12.2%). France is gaining ground as a centre for international banking, however. While the UK lost a little market share between 2016 and 2020, France gained five percentage points. Building on London's dense and comprehensive financial services ecosystem, including around 200 foreign banks or branches in the City and its expanding connections to markets in Asia and the Pacific, the UK has an opportunity to grow its market share again.

Sources

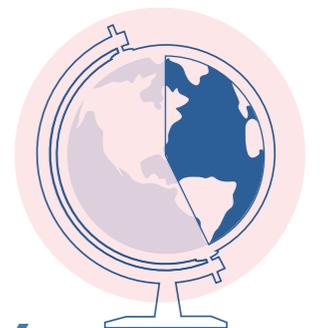
Bank for International Settlements 2021, TheCityUK 2020.

London is the world's leading foreign exchange trading centre.

A deep foreign exchange market provides liquidity and facilitates currency exchange for investments or international trading. Due to their location on the world map, their favourable time zone and the shift to more electronic trading, London and the UK see the deepest pools of liquidity in foreign exchange (FX) and remain the leading international location for FX trading. In 2019, the UK accounted for 43% of global FX turnover – more than the US, Singapore, Hong Kong, Japan, France and Germany combined. Bank of England data demonstrates that average daily UK foreign exchange turnover continues to grow: from \$2.88tn in April 2019 to \$2.99tn in April 2021.

Source

Bank for International Settlements 2021.



43%

The UK's share of global FX turnover – more than the US, Singapore, Hong Kong, Japan, France and Germany combined



3. Resilient business infrastructure

Businesses located in London and the UK continue to benefit from unrivalled global connectivity and strong operational resilience. The UK's location on the world map and favourable time zone make it easy for firms to cover major markets from a single location. Its leading cyber security and anti-money laundering frameworks, as well as its digital security measures, provide firms with a safe business environment. But the country's digital infrastructure needs an upgrade to offer businesses and individuals faster and more reliable internet connections.

Page 60



Metrics

- 40. Fortune Global 500 corporate headquarters
- 41. Office occupancy costs
- 42. International airport capacity
- 43. Quality of road and rail infrastructure
- 44. Congestion levels
- 45. Time zone
- 46. English proficiency
- 47. Risk exposure to money laundering
- 48. Control of corruption
- 49. Broadband speed
- 50. Mobile network availability
- 51. Mobile network speed
- 52. 5G roll-out (yes/no)
- 53. Level of internet freedom
- 54. Cyber security strength
- 55. Secure internet servers
- 56. Digital security measures

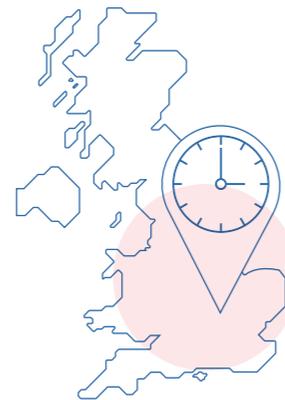
3.1 Global business connectivity

Businesses located in London and the UK benefit from unrivalled global connectivity. The UK's location on the world map and favourable time zone make it easy for firms to cover major markets from a single location. London continues to have a higher international airport capacity than any other financial centre and is open for business: The UK capital is home to more Fortune Global 500 company headquarters than Singapore and offers more affordable office space than Hong Kong. To remain competitive, the UK's transport infrastructure needs improvement – providing ample opportunity for financial services firms on the road to net zero to invest in green projects.

Page 61

London and the UK's favourable time zone makes it easy for businesses to cover major markets to both east and west from a single location.

London and the UK are ideally located on the world map. The favourable time zone makes it easy to do business with major markets to both the east and west within the working day. Market trading hours in the UK overlap with those in Asian, European and American financial centres. This is an asset, especially at a time when business is increasingly taking place online.



Market trading hours in the UK overlap with those in Asian, European, and American financial centres

The business world speaks English – and London is the world's English-language capital.

English is the world's business language – and London is the world's English-language capital. The natural availability of English-speaking talent in both London and New York City helps businesses connect with partners around the globe. At the same time, English proficiency levels are picking up in other global centres, with the uptake particularly pronounced in France, Germany and Hong Kong. Japan remains the global financial centre with the lowest English proficiency.

Source
EF 2020.



Despite a challenging 2020 and a changing world economy, London increased its share of headquarters of Fortune Global 500 firms by more than a third.

Financial and professional services firms succeed when they can access clients with global networks. While hybrid working, video calls and webinars are here to stay, physical proximity to partners remains crucial to building and fostering relationships. Firms located in London benefit from the UK capital being a major hub for Fortune Global 500 firms. And despite more non-European companies entering the Fortune Global 500 list – a sign of a changing world economy – London increased its share of headquarters of Fortune Global 500 firms by more than a third between 2019 and 2020. It is now home to 15 of those firms. This is more than Hong Kong (7), Singapore (2) and Frankfurt (2) combined, and puts London broadly on a par with New York City and Paris (16 each). Overall, Tokyo is home to the most Fortune Global 500 companies – there were 37 at the end of 2020.

Source
Fortune Global 500 2021.

Case study

Tribosonics: the North of England has the right facilities and transport links

In the North of England we have got the right facilities, the talent and skills, the investment structures, great transport links and ambition. This is where innovation and tech happens. International customers value the engineering heritage and the hardware and software engineering skills in the UK, especially when used to drive innovation and enable digital transformation.

Glenn Fletcher
CEO, Tribosonics

→ [Find out more at theglobalcity.uk](https://theglobalcity.uk)

Page 62

The cost of renting high-quality office space in the City of London is more affordable than in Hong Kong, Tokyo or Singapore.

With businesses rethinking their offices and physical presence within markets, the cost of renting commercial space is becoming an even bigger factor for businesses deciding where to locate. Value for money is key, and firms want their offices to be outstanding environments to attract staff. The average cost of renting high-quality office space in the City of London remained broadly stable between 2018 and 2020 and stood at \$109/sq ft at the end of Q4 2020. This is more affordable than office space in central Hong Kong (\$240/sq ft), Tokyo's Marunouchi district (\$170/sq ft) or Singapore (\$113/sq ft). While

Tokyo's commercial rents increased by 15% between 2018 and 2019, Hong Kong saw a sharp 29% decline, possibly reflecting uncertainty around the city's future as a financial centre. The City of London is already seeing an increasing return to the office by workers and will further enhance its vibrant offer in the coming years in collaboration with firms present in the Square Mile.

Source
JLL 2020.



Crossrail Place, London

London's airport capacity and central location on the world map will enable the City to become a financial centre with unmatched global connections again.

With business travel grinding to a halt in 2020, London – like cities all around the world – saw a significant drop in the number of international travellers at the city's five major international airports. At -74%, this drop was less pronounced, however, than in American (New York City: -76%) and Asian financial centres (Tokyo: -81%, Singapore: -83%, Hong Kong: -88%). The UK reopened its borders earlier than other jurisdictions, too, and dropped travel restrictions quicker than the US and Asian centres. As the world opens up again, London's international airport capacity and central location on the world map will enable the city to become the financial centre with the best global connections again.

Source
City of London Corporation analysis of airport annual reports and aviation department statistics.

Investment in London and the UK's transport infrastructure is crucial to build a more competitive business environment – and to achieve net zero.

Efficient and well-maintained transport infrastructure is essential to remaining competitive. Measured by road connectivity, quality of road infrastructure, railway density and efficiency of train services, Singapore and Japan have the highest quality transport infrastructure. The UK ranks second to last, with only the US behind. Poor road infrastructure and inefficient train services are the main reasons behind the UK's low rating. London is also a more congested city than Hong Kong, Singapore, New York City or Frankfurt.

Investment and improvements will help the UK achieve the high-quality infrastructure other financial centres already have. In mid-2022, London's Elizabeth Line opens, connecting Canary Wharf and the Square Mile with major rail hubs and Heathrow Airport. New high-speed rail services will also connect London with key regions across the UK. And the UK's push to reach net zero in 2050 will make much more investment in infrastructure necessary. This will not only help build a more competitive business environment in the UK, but also provide ample opportunity for financial services firms to invest in green infrastructure projects.

Sources
World Economic Forum 2019, TomTom 2020.

3.2 Operational, digital and cyber resilience

Strong operational resilience and cyber security frameworks underpin London’s business environment. The UK ranks highly in ITU’s Global Cybersecurity Index, with London making the most improvement in digital security measures. But the country’s digital infrastructure needs an upgrade to offer businesses and individuals faster and more reliable internet connections, and to capture a larger share of global data flows and trade.

The UK has one of the strongest cyber security frameworks worldwide – the country’s digital infrastructure, however, needs an upgrade.

London and the UK have one of the strongest government-led cyber security frameworks worldwide. According to the latest ITU Global Cybersecurity Index, the UK further improved its cyber security initiatives across legal, technical and organisational areas, as well as building capacity and cooperation. Only the US has a stronger cyber security offering, albeit marginally.

At city level, London, New York City, Tokyo and Singapore are all leading centres for digital security, with London having made the most improvement in recent years. The rich ecosystem security created by UK government and industry, supported by the City of London Police and the City Corporation’s collaboration with businesses, underpins this.

The UK is the third biggest investor in cloud computing (£10bn) – 90% of UK companies use cloud at least some of the time, and many

more services are moving online. Strong cyber security measures and frameworks are crucial to enhancing a centre’s operational resilience. The UK’s digital infrastructure now needs to follow its strong frameworks. Although capacity has increased between 2019 and 2020, the number of secure internet servers – 36,000 per one million people – is still significantly lower than in other global financial centres (US: 142,000, Singapore: 128,000, Germany: 97,000).

Sources

ITU 2020, EIU 2019, World Bank/Netcraft 2020.

Page 63

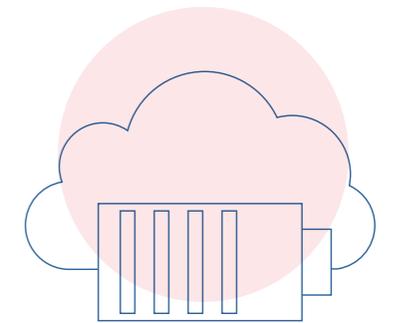
Money laundering presents a risk to the UK because of the size, sophistication and reputation of its financial system. But the UK is a leader in combating illicit finance.

Businesses need to be able to operate with confidence in centres that are effective at preventing money laundering and enforcing anti-money laundering (AML) rules. This especially applies to financial services firms, but also to related professional services such as legal or accounting. Money laundering presents a risk to the UK because of the size, sophistication and reputation of the nation’s financial system. But the UK is a global leader in combating illicit finance, according to the Basel AML Index. Assessing factors such as the quality of AML frameworks, financial transparency and standards, and public transparency and accountability, the analysis shows that the UK is

one of the financial centres most resilient to such threats – with only France ahead. The UK has made the most progress between 2016 and 2020 and is one of only two jurisdictions excelling in prevention and effectiveness. But money laundering and illicit finance remain a global problem and can only be tackled through collaboration and joint measures.

Sources

Basel AML Index 2021, Bureau of International Narcotics and Law Enforcement Affairs 2021, World Bank 2020.



90%

of UK companies use cloud at least some of the time

The level of internet freedom in the UK remains one of the highest worldwide, enabling businesses to operate freely and efficiently.

Unrestricted internet access and the protection of content and user rights allow businesses to operate more freely and efficiently. Between 2019 and 2020, the UK's level of internet freedom slightly improved, with the nation remaining one of the freest worldwide in terms of internet access and usage. The one global financial centre to offer only 'partly-free' internet, according to Freedom House assessments, is Singapore.

Source
Freedom House 2020.

Page 64



London benefits from an early 5G rollout, but mobile network availability and speeds need to improve UK-wide.

London's early 5G rollout gave the centre a competitive advantage. With more staff moving flexibly between offices, homes and third spaces such as cafes to work or meet clients, seamless connectivity is key. This is already possible in pockets within the Square Mile, but UK-wide mobile network availability and speeds must be improved. In 2020, UK mobile users had access to a fast mobile network for 89% of the time. This is an improvement on 2019, and a higher mobile network coverage than in Germany and France, but trails network availability in Asia and the US. At 23Mbps, UK mobile network speeds remain slow, too, and have not significantly increased between 2016 and 2020. Increasing UK-wide 5G coverage will give the country the speed boost it needs.

Source
Opensignal 2021.



London's early 5G rollout gave the centre a competitive advantage

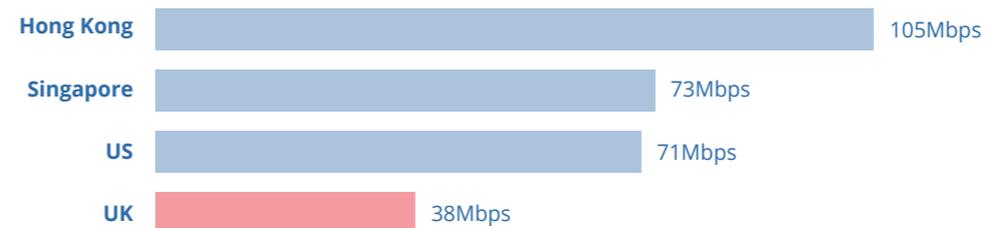
Broadband speeds in the UK are increasing, but not fast enough, and remain the slowest of all global financial centres.

In a digitised world, broadband speeds are crucial to business success. And with staff working remotely, commercial and personal internet connections count. The UK's broadband speeds are increasing – in 2020, they were 69% faster than in 2019, and 129% faster than in 2017 – but the average nationwide speed of

38Mbps is still slower than all other global financial centres. Hong Kong has the fastest broadband on offer, with speeds reaching 105Mbps, and Singapore follows with 73Mbps. The UK government and telecom providers are working jointly to deliver better speeds to offices and homes, with a target of reaching 85% gigabit broadband coverage by 2025.

Source
cable.co.uk/M-Lab 2021.

Average broadband speeds in 2020:

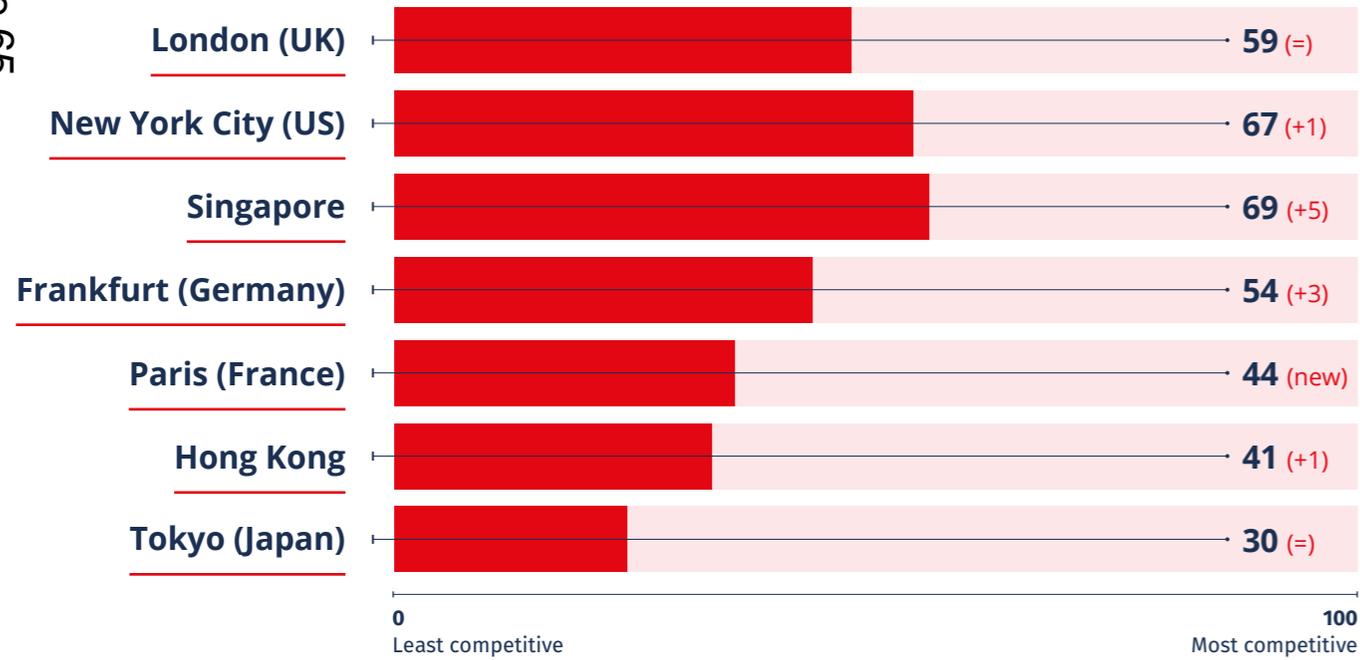




4. Access to talent and skills

World-leading universities and MBA programmes, an international workforce and a high quality of life driven by a rich cultural scene make London and the UK a global financial centre where financial and professional services firms can find great talent. With a strong supply of digital skills in Singapore, and a US business environment that is increasing its attractiveness to international talent again, the UK needs to address skills gaps and remain open to people from around the world to become more competitive in the future.

Page 65



Metrics

- 57. Share of FPS relevant graduates
- 58. Maths and science skills attainment
- 59. University rankings
- 60. Top-level business schools
- 61. Digital skills among population
- 62. Skills in workforce
- 63. Extent of staff training
- 64. Flexibility of labour laws
- 65. Productivity
- 66. Diversity
- 67. Attractiveness to foreign highly skilled personnel
- 68. Share of foreign-born population
- 69. Visa costs
- 70. Inbound international students
- 71. English proficiency
- 72. Cost of living
- 73. Cultural interaction
- 74. Air quality
- 75. Share of green spaces
- 76. Happiness

4.1 Skills, hiring and training

The UK has some of the world’s best universities, leading MBA programmes and a growing share of graduates gaining degrees in courses directly related to financial and professional services. This enables firms located in the UK to have access to a world-leading pool of highly qualified graduate talent. But improving workforce skill levels in the UK remains a challenge. Public institutions and businesses have joined forces to identify and address gaps, especially in digital.

Financial and professional services firms in the UK have access to a vast pool of highly qualified graduate talent.

Page 66

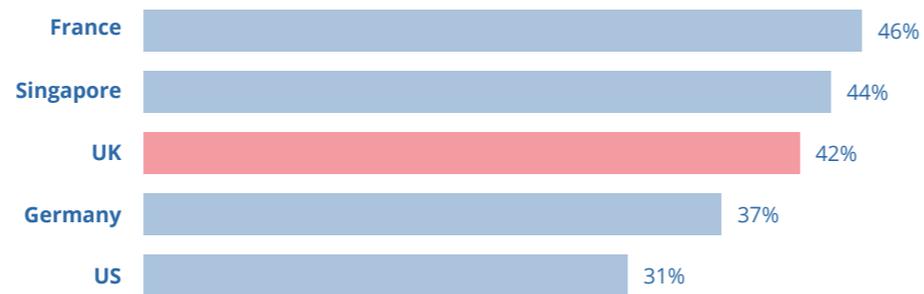
Financial and professional services firms in the UK can recruit from a vast supply of skilled graduates: 42% of all graduates from UK universities graduate from business, mathematics or information technology programmes. This share is growing – rising two percentage points since 2016 – and it is only topped by Singapore (44%) and France (46%). With many of the UK’s universities and business schools being world-leading, this provides for highly skilled entry-level talent. Businesses across the UK can fill their junior roles with young people who are ambitious and qualified.

Source

UNESCO 2019.

42%

of all graduates from UK universities **graduate from business, mathematics, or information technology programmes**



Case study

Nossa Data: the advantage of being based in the UK

The academic institutions in the UK are a huge advantage for us. We have definitely been able to find the talent we need and we intend to recruit our initial team all within the UK because we think all the talent we need exists there.

Julianne Flesher
CEO, Nossa Data

→ [Find out more at theglobalcity.uk](https://theglobalcity.uk)

The UK’s leading higher education sector is home to the world’s best university.

The university landscape of the UK and the US is unmatched. Businesses located in these markets do not only benefit from pools of skilled graduates but also from world-leading research and innovation capabilities. In 2021, the University of Oxford was again named best university in the world – for the fifth year in a row. The University of Cambridge ranked sixth, and nine other universities

from across the UK featured in the global top 100. The UK has more universities in the global top 100 than France, Hong Kong, Singapore and Japan combined. Over the past five years, the ratings of UK universities have further increased, demonstrating their improving offer.

Source

The Times Higher Education World University Rankings 2021.

Nearly 60% of the 100 world-leading MBA programmes are located in the US and the UK.

The strength of the UK's and US' higher education sector is also reflected in business school rankings. Nearly 60% of the 100 world-leading MBA programmes are located in the two countries – 48 in the US and nine in the UK. In 2021, the London Business School's MBA programme was named the second best programme worldwide, with graduates seeing a salary percentage increase of 103% after completion. The number of UK programmes in the global top 100 has decreased from 14 in 2017, but the UK's business schools still demonstrate a considerably better performance and quality than those in any other global financial centre outside of the US.

Source
Financial Times Global MBA 2021.



Nearly
60%
of all world-leading MBA programmes are located in the US and the UK

Page 67



Leeds Dock

Workforce and wider population skill levels in the west trail those in the east. Public institutions and businesses in the UK have joined forces to identify and address skills gaps.

The UK is a leading centre for innovation, and home to some of the world's best universities. Reskilling and upskilling efforts will ensure the UK's current workforce is equipped to fulfil business and societal needs too. The latest PISA assessment results showed a stark east/west divide for pupils' mathematics and science skills attainment. While Singapore, Hong Kong and Japan scored best, the UK was in the bottom half of results, although ahead of Germany, France and the US.

Digital skills remain a global challenge, with workforce digital skills in financial centres around the globe less sufficient now than they were before the pandemic. Executives state that the extent to which skilled talent is readily available in the UK is increasing, more so than in France and Germany, but at a slower pace than Singapore or Hong Kong. Employee training is perceived as being most important in Germany, Singapore and Japan, though the importance placed on it by businesses in the UK is growing. Initiatives such as FutureDotNow are helping people and businesses across the UK to boost their digital skills. In addition, the Financial Services Skills Commission, supported by the City of London Corporation, is working with firms to better identify and address skills gaps via a dedicated training framework.

Sources
PISA 2018, World Economic Forum 2019, IMD 2020.



30 St Mary Axe, London

Productivity is high in London and UK financial services.

Productivity varies hugely by sector and industry. In the UK, financial services are one of the UK's most productive sectors, with an output of \$146,584 per job in 2019. London is the UK's most productive region with a productivity of \$103,952 across all industries. However, according to ILO figures, the average UK-wide annual GDP output of \$86,673 remains below that of other financial

centres (US: \$113,114, France: \$107,256), with only Hong Kong seeing lower productivity (\$75,229). Levelling-up efforts need to ensure that other UK cities and regions are supported in achieving their productivity potential to achieve a fairer, more balanced and overall more competitive economy.

Sources

ILO 2019, ONS 2021.

More than a quarter of posts on executive committees of financial services firms in the UK are held by women. Whilst still far away from achieving gender parity, this puts the UK in the lead.

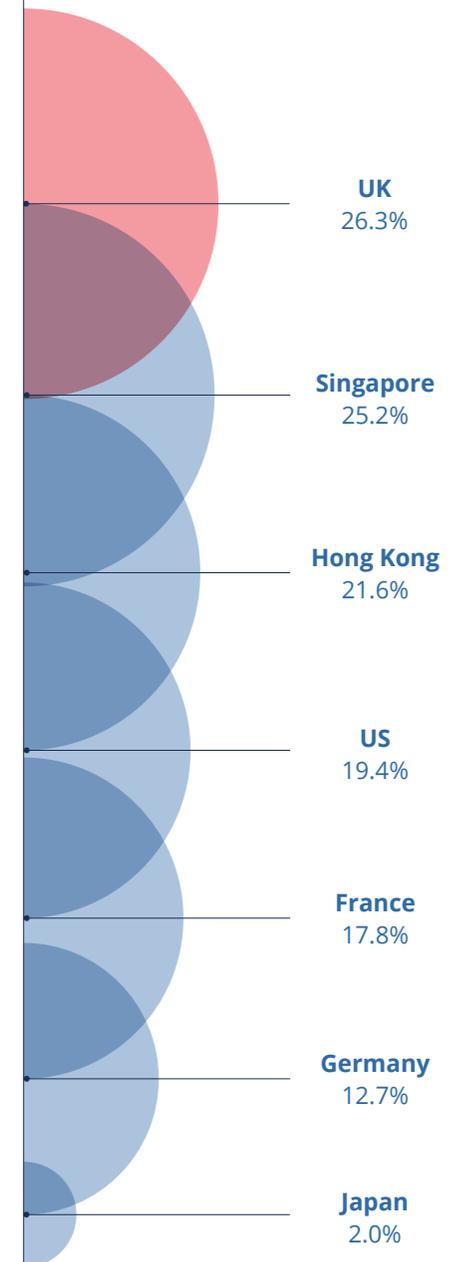
Women in the financial services sector are underrepresented. Oliver Wyman research shows that women control two thirds of global household spending and hold 40% of total global wealth, and of all entrepreneurs, 40% are women. Yet the global average of female representation on financial services executive committees is much lower. Trends are going in the right direction, however. Of all global financial centres, the UK has the highest share of women on executive committees: 26.3%. This puts it ahead of Singapore (25.2%) and Hong Kong (21.6%).

Japan ranks at the bottom of the group with a share of only 2.0%. The UK saw the largest increase of women on financial services executive committees too, with its share increasing by 35% between 2016 and 2020. Organisations in the UK are promoting diversity in the round, with for example HM Treasury's Women in Finance Charter, the Financial Services Skills Commission's focus on diversity and inclusion, and the City of London Corporation-led taskforce to boost socio-economic diversity at senior levels in UK FPS. Opportunities in financial services are becoming more equal around the globe, and businesses will benefit from this as teams better represent their customer base and unlock unused potential.

Sources

Refinitiv 2021, Oliver Wyman 2020.

Share of **women** on executive committees of financial services firms in 2020:



4.2 International talent

An already international workforce makes London one of the most globally connected financial centres in the world. Students from abroad continue to contribute to the UK's international talent base. But UK policymakers need to guarantee that its businesses continue to enjoy unrivalled access to the most important source of future growth available: the best of global talent.

London remains one of the most international financial centres. Businesses located in the UK's capital can recruit from a diverse pool of talent, which helps them establish relationships with clients and partners from around the world.

Page 69

London is one of the most international financial centres worldwide. At 38%, the UK capital had a higher share of foreign-born population than any other global financial centre before the pandemic. With 37% of its population born abroad, New York City came in second behind London. At a share of just 3%, Tokyo was the centre with the least international population. Initial data suggests that London's share of international workers has not fallen dramatically during the pandemic. In 2020, 15% of workers in the City of London came from the European Economic Area (EEA), and a further 25% came from the rest of the world. This demonstrates London's attractiveness for people from all

over the world and benefits the city's talent pool. Businesses can hire from a multitude of backgrounds, which helps them facilitate relationships with global clients and partners.

Sources

World Cities Culture Forum 2021, Migration.



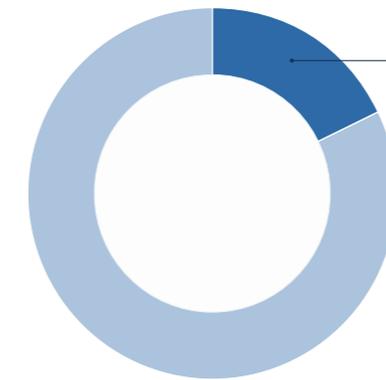
Observatory 2021, ONS 2021.

The UK is a world-leading destination for international students – and the UK's graduate visa scheme makes this a valuable resource for firms.

With 11 of the world's top 100 universities, the UK acts as a magnet for bright talent from all around the world. In 2019, the UK was home to nearly 500,000 international students – 13% more than in 2016. The UK's international students are from 189 countries, with the largest groups coming from China, India and the US, and they make up 19% of the UK's total university enrolment. The US hosted more than 976,000 international students, but at 5% they made up a smaller share of total enrolment. Germany was the third largest destination for international students, where around 333,000 international students made up 10% of total enrolment. The UK's graduate visa scheme allows international students to stay in the country for at least two years after graduation to work or look for work, making the high number of international students in the UK a valuable resource for firms. But the pandemic and increased tuition fees for students coming from the EEA may affect this competitive advantage.

Source

UNESCO 2019.



19%

of all enrolled students in the UK were from abroad, which compares to just 5% in the US

UK policymakers need to guarantee that its businesses continue to enjoy unrivalled access to the most important source of future growth available: the best of global talent.

The UK continues to be an attractive business environment for foreign highly skilled personnel – more attractive than Germany, France and Japan. But no economy's attractiveness has declined as much as the UK between 2016 and 2020, according to executives surveyed by the IMD. The perception of the UK as an attractive business environment for international talent dropped by 21% in this period. In comparison, perceptions of the US dropped by 8%, while France increased by 26%. Likely reasons for this are the UK's withdrawal from the EU, the end of freedom of movement, and the introduction of the UK's new immigration system. Fragomen analysis shows that under the UK's new system, the total visa cost for

a skilled worker entering the UK to work for a large company is £5,681 – much higher than comparable visa costs in the US (\$2,650/£1,923), France (€324/£278) or Germany (€175/£150). Organisations with significant turnover can absorb these costs, but for employers with less disposable income, they are a significant concern. Alongside lowering costs, stripping out unnecessary bureaucracy is key. Encouragingly, after industry feedback, the UK government has already signalled its intention to introduce a new points-based, unsponsored 'High Potential Individual Route' for highly skilled talent to enter the UK, to simplify the sponsor process, and to fast-track visas for those with a job offer from a recognised UK scale-up – such as within the fintech sector.

Sources

Fragomen 2021, IMD 2021.

4.3 Quality of life

London remains the global ‘city of choice’. Despite a challenging 2020, the UK capital’s cultural scene remained more vibrant than any other and is ready to welcome back the world. Air quality in London is fast improving, and the City of London’s Climate Action Strategy will make the financial centre a cleaner, greener and healthier place to live and do business. But London’s attractiveness comes at a cost: only New York City and Hong Kong are more expensive.

London remains the global ‘city of choice’ – and the UK capital’s vibrant cultural scene is ready to welcome back the world.

Page 70

Recent research by Boston Consulting Group (BCG) set out London’s global credentials – its diverse leisure scene, its inclusivity and its dense transport network. In BCG’s ranking, London claimed the top spot ahead of New York City, with other financial centres further behind. In the Institute for Urban Strategies’ 2020 Global Power City Index, London maintained its first-place position for the ninth consecutive year, despite the large impact of COVID-19 on the city. London’s number one strength is its cultural offering: the number

of theatres, concert halls and museums; its shopping and dining options; the high population of visitors from abroad; and its creative activities. Recovery plans by the City of London Corporation aim to expand the financial centre’s liveliness and verve, and to enable and animate the City’s weekend and night-time offer.

Sources

Boston Consulting Group 2021, Mori Memorial Foundation 2020.



Leadenhall Market, London



BBC Television Centre, London

Air quality in London is fast improving, and the City of London's Climate Action Strategy will make the financial centre an even cleaner, greener and healthier place to live and do business.

London's air quality is fast improving. Between 2016 and 2020, pollution levels fell by 35%. This was a bigger improvement than in any other comparator centre. While London's air is still more polluted than the air in New York City, Frankfurt, Tokyo or Singapore, measures such as more space for pedestrians, enhanced infrastructure for cyclists and an expansion of

London's Ultra Low Emission Zone will ensure that the city's air quality will continue to improve. London already has more green space than the European city average – 33% compared with 18% – and the City of London's Climate Action Strategy will further transform the way streets and buildings look through the creation of living walls, planters on pavements and streets, and green rooftops.

Sources

World Air Quality Index 2021, World Cities Culture Forum 2021.



Between 2016 and 2020, air pollution levels in London fell by 35%

Case study

BJSS: The UK is a great place to access clients and talent

From a talent pool perspective, we take in a lot of apprentices and graduates and there is a great flow of bright young talent from universities across the UK. The regional cities around the UK have provided us with a good talent pool and a good platform from which to grow.

The UK is very advanced when it comes to technology and there are also strong regional tech hubs like Leeds which have a lower cost base but still really strong access to talent. Leeds is becoming a bit of a hotbed for tech in the UK.

Stuart Bullock
Managing Director, BJSS

➔ [Find out more at theglobalcity.uk](https://theglobalcity.uk)

London's attractiveness comes at a cost: only New York City and Hong Kong have a higher cost of living.

Despite a temporary dip in inner-city rent levels during the height of the pandemic, London remains one of the most expensive cities in the world. The cost of living is higher only in New York City and Hong Kong. It remains most affordable in Frankfurt. Stable or increasing costs of living in financial centres around the world suggest that these cities have not lost their attractiveness during the past two years. The possibility of more remote and flexible working can, however, enable businesses to look for talent beyond a city's boundaries, opening up economic opportunities for further bright minds and new demographics.

Source

Numbeo 2021.



Tate Modern, London



5. Enabling regulatory and legal environment

The UK continues to have the most favourable regulatory regime for financial services. Firms located in the UK benefit from innovative regulators, a strong legal system and a transparent business environment. However, the tax and contribution rates of banks in the UK are higher than in other centres. Services trade is at the heart of the UK's economy and needs to be central in new economic relationships with the rest of the world if the UK is to maintain open market access. And governments around the world, including in the UK, need to renew business confidence in the effectiveness of regulation and policymaking.

Page 72



Metrics

- 77. Government effectiveness
- 78. Regulatory quality
- 79. Control of corruption
- 80. Regulatory coherence
- 81. Sustainable finance taxonomy (yes/no)
- 82. English law (yes/no)
- 83. Financial centre = political centre (yes/no)
- 84. Sandboxes (e.g. regulatory or digital) (yes/no)
- 85. Open banking (yes/no)
- 86. Perception of favourability of financial services regulatory regime
- 87. Preferred seat of arbitration
- 88. Total tax and contribution rate
- 89. Individual income tax rate
- 90. Tax complexity
- 91. Size of international tax treaty network
- 92. Additional financial services taxes (yes/no)
- 93. Services trade restrictiveness
- 94. Cost of regulatory barriers to financial and professional services trade
- 95. Controls of the movement of capital and people

5.1 Regulatory stability and innovation

The UK continues to have the most favourable regulatory regime for financial services. It remains at the forefront of innovation, with government and regulators committed to keeping the UK at the global cutting edge of technology. London is one of the world's top seats for arbitration. But the handling of the pandemic has eroded trust in the effectiveness of public services and policymaking. Governments around the world, including in the UK, need to renew business confidence.

The UK's regulatory environment continues to be at the forefront of innovation, with government and regulators committed to keeping the UK at the global cutting edge of technology.

With innovative new products and services being increasingly data-centric, the UK's Financial Conduct Authority created the world's first regulatory digital testing environment in 2020. The 'digital sandbox', piloted in partnership with the City of London Corporation, provides additional support to innovators by giving them access to synthetic data assets, an API marketplace, a coding environment, as well as access to mentors and observers. A further 'lawtech sandbox' fast-tracks transformative ideas, products and services that address the legal needs of businesses and society. Many other markets look to the UK for examples of how innovation can be embedded in regulatory frameworks.



Scottish Event Campus, Glasgow

Case study

iwoca: how the UK market has underpinned its success

Open Banking in the UK – which lets businesses give verified third parties like us access to their bank data through a secure API – has been really great for us. One of the things that we need to look at to decide whether we can fund a customer is their transaction history. With Open Banking, rather than the customer having to upload bank statements, they can instead – via a couple of clicks – connect via Open Banking and then we've got access to this. Incessant form-filling is replaced by a fast and frictionless process where businesses can be approved for finance much more quickly (even instantly).

Seema Desai
COO, iwoca

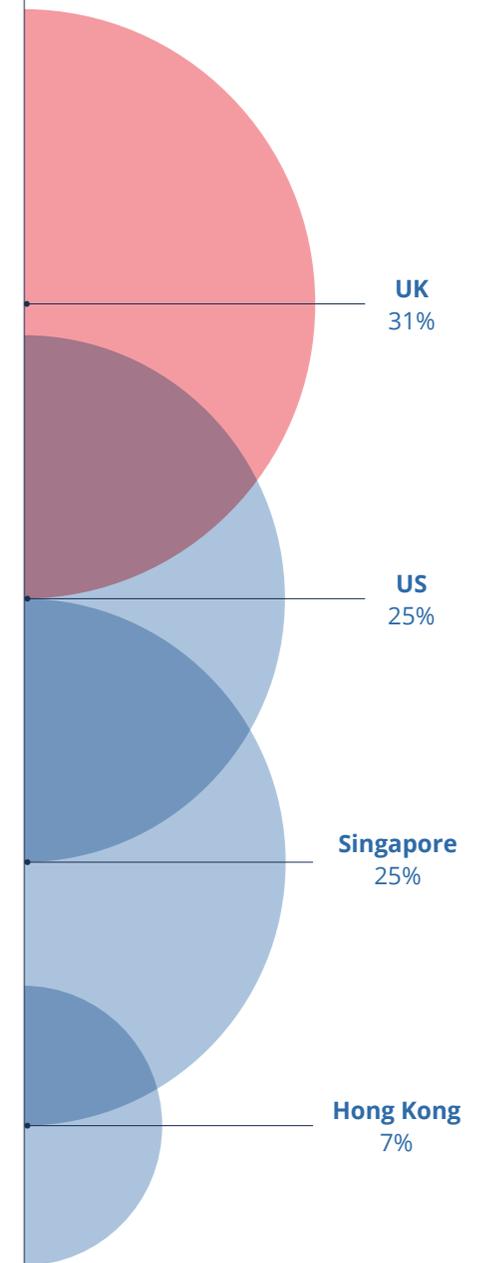
[Find out more at theglobalcity.uk](https://theglobalcity.uk)

The regulatory regime for financial services in the UK remains the world's favourite.

The UK is still the world's preferred regulatory regime, named by 31% of senior financial services executives surveyed by Duff & Phelps. This compares with 25% for the US and for Singapore. The perception of the UK's and Singapore's regulatory regimes has improved since 2019/20, whereas the perception of the US has declined. One of London's strengths is that important elements of the financial and professional services landscape are concentrated in one location: finance, professional services, tech and policymaking are all in close proximity to each other. In its Future Regulatory Framework Review, the UK government is proposing measures to keep the country's financial services regulation coherent, agile and internationally respected. One of the changes proposed is a new growth and international competitiveness objective for both the Prudential Regulation Authority and the Financial Conduct Authority. This would reflect the importance of the financial services sector as an engine for growth across the wider economy.

Source
Duff & Phelps 2021.

In your view, which market currently has the **most favourable regulatory regime** for financial services?



The UK is aligned with the Basel III recommendations on strengthening bank capital requirements, providing businesses with reliable and predictable operating environments across borders.

Multinational banks benefit from reduced regulatory compliance costs if they find comparable regulatory standards in the markets in which they operate. The Basel Committee on Banking Supervision provides a forum for regulatory cooperation on banking supervisory matters. It aims to provide guidelines and standards to enhance the quality of banking supervision worldwide. While its frameworks are voluntary, their adoption by markets is providing banks with a predictable and stable regulatory environment. Of all comparator centres, the UK, Singapore and EU financial centres have made the most progress in recent years in aligning their regulation of banks with Basel III recommendations. Alignment and coherence increase a market's attractiveness. As of 2020, the US is the least aligned market. While the UK has followed EU legislation in the past, this is changing. Government engagement with industry is allowing banks and other financial services firms to share their views on divergence from or coherence with EU legislation and regulation.

Source

Bank for International Settlements 2021.

Page 74



22 Bishopsgate, London

Businesses located in the UK benefit from the best legal advice in the home of the world's business law – and London is one of the world's top seats for arbitration.

English law is the preferred governing law for business transactions worldwide. It is well known, well developed and predictable, and used by 40% of all corporate arbitrations globally. The law is so well respected that it is commonly used even for contracts that do not have any geographical connection to the UK. Oxera analysis estimates that English law governed at least £550tn of global OTC derivatives trading in 2018, £250bn of global M&A transactions in 2019 and £8.5tn of global metals trading in 2020.

The strength of the UK's legal offer is also reflected in London being one of the world's top seats for arbitration. In 2021, 54% of respondents to Queen Mary University research named London as one of their organisation's five most preferred seats. Singapore was the other seat named by 54% of respondents. London continues to be a top choice for respondents from Africa, Europe, the Middle East and North America, and remains the only European centre of significance to Asia-Pacific. The three key factors that make London attractive are:



great support for arbitration by local courts and judiciary, the neutrality and impartiality of the local legal system and a good track record in enforcing agreements to arbitrate and arbitral awards.

Sources

Queen Mary University/White & Case 2021, Oxera/LegalUK 2021.



London is a top seat for arbitration

The handling of the pandemic has eroded trust in the effectiveness of public services and policymaking. Governments around the world, including in the UK, need to renew business confidence.

The perception of government effectiveness, the quality of public services, and the ability of governments to formulate and implement policies and regulation that promote economic growth, has sharply declined during the past year. This applies both in the UK and worldwide, according to World Bank research. During 2020, the UK's government was rated more effective than governments in Germany, the US and France,

but only because the latter three experienced an even more pronounced drop in satisfaction (Germany -11%, US -11%, France -9%) than the UK (-7%). Singapore (+5%) was the only market where perception of government effectiveness significantly increased during the pandemic.

Assessments of regulatory quality paint a similar picture: the UK was rated better than Japan, the US and France, but suffered a -9% drop in satisfaction with its regulatory quality between 2019 and 2020. Hong Kong's administration is still rated better than the UK's, but its ability to foster private sector development through effective regulation saw a 17% lower rating in 2020 than it did in 2016. Between the UK's withdrawal from the EU, an unorderly transition of power in the US, an escalating fourth COVID-19 wave in Germany and the implications of Hong Kong's new National Security Law, trust in the effectiveness of public services and policymaking has eroded. Governments around the world, including in the UK, need to renew business confidence.

Source

World Bank 2020.



Bank of England, London

5.2 Tax

Singapore and Hong Kong are the two global financial centres with the most competitive tax systems, but the fundamentals of their economies differ from many others. Firms located in the UK benefit from one of the largest global tax treaty networks, relatively low tax complexity and competitive income tax rates. However, banks located in London face a higher total tax and contribution rate than their counterparts in Frankfurt and New York City, and recent announcements on for example corporation tax will further reduce the UK's tax competitiveness.

Page 76

Income tax rates in London are more competitive than in New York City, Tokyo or Frankfurt – but the total tax and contribution rate of UK-based financial services firms, in particular banks, is relatively high.

The UK's tax rates are competitive overall. At 45%, the highest marginal income tax rate in London is lower than in Tokyo (55.95% including local inhabitant tax), New York City (49.7% including state and local taxes) or Frankfurt (47.5% including solidarity surcharge). And the UK's corporation tax rate of 19% is currently the lowest rate of all G20 economies. But recent announcements will make the UK's tax rates less competitive, and the total tax contribution of financial services firms – in particular banks – is already higher than in other centres. The UK is one of the few markets

that levies a tax on bank liabilities and has a bank corporation tax surcharge. While this surcharge will be reduced from 8% to 3% in 2023, corporation tax rates will increase from 19% to 25%. Analysis by PwC and UK Finance shows that banks in the UK already face a higher total tax and contribution rate than their counterparts in Frankfurt and New York City. Banks are committed to paying their fair share to support the wider economy, with the sector contributing £37.1bn in taxes last year. But it is also important that the UK's tax rates remain internationally competitive to support the sector in continuing to create jobs and spreading prosperity across the country.

Sources

PwC/UK Finance 2021, KPMG 2021.



The UK has the largest international tax treaty network of all global financial centres and continues to expand it.

Double tax treaties help avoid the double taxation of profits from foreign sourced income. Businesses located in globally connected markets with large tax treaty networks have an advantage over firms in locations with more limited networks. Employees working in multiple locations benefit from these treaties as well. In 2020, the UK had the largest international tax treaty network, with 133 double taxation

agreements. This number has consistently grown over the past five years. France ranks second with 125 tax treaties but did not sign any new treaties between 2016 and 2020. At just 42 tax treaties, Hong Kong's network remains the smallest.

The UK has a less complex tax code than Germany, France or the US.

The UK's tax code and framework are less complex overall than in any other global financial centre in the west. This reduces operational costs faced by firms located in the UK but leaves further room for improvement. In the Global MNC Tax Complexity Project's Tax Complexity Index, which measures the complexity of a country's corporate tax system faced by multinational corporations, the UK's tax complexity is rated as 'medium'. The complexity of the UK's tax code (regulations on, for example, depreciation, royalties and dividends) has slightly decreased over the past five years, whereas the complexity of its tax framework – arising from features and processes of the tax system (guidance, payments and filing, and audits) – has increased. The US has the most complex tax code and framework, and it has increased in complexity in recent years. Singapore and Hong Kong have the overall least complex tax frameworks.

Source

Global MNC Tax Complexity Project 2021.

5.3 Market access

The UK remains one of the most open and global financial centres, with better access to international markets than the US, France or Japan. It levies fewer restrictions on the movement of capital and people than other centres, and firms located in the UK currently face low policy-induced trade costs. But this competitive advantage is at risk. Services trade is at the heart of the UK's economy and needs to be central in new economic relationships with the rest of the world if the UK is to maintain open market access.

The UK levies fewer restrictions on the movement of capital and people than the US and Germany, making it a more open centre for business and international trade.

International financial centres are hubs for global capital flows. To facilitate international trade, they depend on low regulatory barriers. The Fraser Institute's annual Economic Freedom of the World report describes the UK as a centre that is open for international business. Based on an assessment of the country's restrictions on

foreign ownership and investment, capital controls and the freedom of foreigners to visit for short-term business purposes, the UK is more open than the US and Germany. However, the UK's openness has been slowly but steadily declining since 2016 as the country has imposed more restrictions on the movement of people. Hong Kong and Singapore are the most open financial centres.

Source

Fraser Institute 2021.

Case study

PrinSIX Technologies: how the UK's regulators foster innovation

The regulatory environment in the UK has definitely been a plus for us. It is demanding so you have to be good and that by its nature helps to breed innovation. The regulator is also very open to innovation. We were part of the City of London Corporation and the Financial Conduct Authority's first digital sandbox which is an example of the support that both the regulator and the City of London give to innovation within the UK.

The UK regulator clearly has a strong reputation internationally which is inevitably helpful to us in the conversations that we have as our clients are regulated businesses.

Julian Graham-Rack
CEO, PrinSIX

→ [Find out more at theglobalcity.uk](https://theglobalcity.uk)



St Paul's Cathedral and the City of London

As one of the best global financial centres to conduct services trade from, firms located in the UK currently face lower policy-induced trade costs than those in other centres.

Based on an OECD assessment of restrictions on foreign entry, restrictions to movement of people, other discriminatory measures, barriers to competition and regulatory transparency, the UK is one of the best global financial centres from which to conduct international services trade. The country is on a par with Germany. Both centres are more open

than the US, Japan and France. Despite global trade tensions, this assessment has changed relatively little in recent years. According to further OECD analysis, financial and professional services firms located in the UK currently face lower policy-induced services trade costs than their counterparts in Japan and the US. In its new position outside the EU, the UK is now rewiring its economic relationship with the rest of the world to maintain this competitive advantage. As part of this, the UK is aiming to further support international services trade through the inclusion of financial and professional services

in free trade agreements, mutual recognition agreements and regulatory cooperation. Early success stories include agreements with Australia, Japan and Singapore. Negotiations with further key markets such as India are underway.

Source

OECD 2019, 2021.

Methodology

This City of London Corporation 'Our global offer to business' benchmarking research provides an assessment of the competitiveness of major financial centres.

The centres have been chosen based on their rankings in other major indices, such as the WEF Global Competitiveness Report and Z/Yen's Global Financial Centres Index, as well as their overall international financial activity.

Where the report refers to 'global financial centres', it refers to the following centres: London (UK), New York City (US), Singapore, Hong Kong, Tokyo (Japan), Frankfurt (Germany) and Paris (France). Paris and France are a new addition to this year's assessment.

The benchmarking model is based on analysis of 89 unique metrics across five key competitiveness dimensions. Six of these metrics are used to support the assessment in more than one competitiveness dimension. For example, 'digital skills' are relevant in both 'innovative ecosystem' and 'access to talent and

skills'. This results in the analysis using 95 metrics in total.

In general, data is collected at a national level. Where metrics are at city level – such as 'cost of living' – data has been collected for each market's main financial centre.

Where possible, the data collected is covering the five-year period between 2016 and 2020.

The data is normalised to make relative comparisons between different types of data (values, ratings, index scores, percentages) possible. The most competitive data point between 2016 and 2020 across all centres – for example, the largest amount of assets under management – is assigned a score of 100. The least competitive data point is assigned a score of 0. All other data points are scored relative to the maximum and minimum values.

The mean of all metrics scores in each of the five competitiveness dimensions constitutes a centre's score in this dimension. Where data is unavailable for a centre, the mean has been adjusted accordingly.

A centre's overall score is produced by calculating the mean of the centre's five dimensional scores, with each dimension having an equal weighting of 20%.

The relative year-on-year competitiveness score change has been calculated using revised figures and cannot be compared with the competitiveness scores published in the City of London Corporation's 2021 'Our global offer to business' report.

To discuss this report, contact:

Maximilian Bierbaum
Economic.Research@cityoflondon.gov.uk



About the Global City campaign:

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

theglobalcity.uk



**THE
GLOBAL
CITY**

About the City of London Corporation:

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

www.cityoflondon.gov.uk

This page is intentionally left blank

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank