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| <b>Committee(s):</b><br>Policy & Resources Committee  | <b>Date(s):</b><br>9 July 2020 |
| <b>Subject:</b><br>International Prioritisation   | <b>Public</b>                  |
| <b>Report of:</b><br>Damian Nussbaum, Director of Innovation & Growth                                 | <b>For Decision</b>            |
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### Summary

Given the City's current challenges, we have reviewed our prioritisation of international partners and sectors. We last did this three years ago. Our analysis is based on experience, evidence and outcomes. Our initial findings are summarised in the attached slide deck. They make a case for **five categories of international partner**: Strategic, High-Growth, Established, Global Regions and Niche. These results will need to be tested with business and government. In the longer term they can help provide a robust framework to maximise our impact.

### Recommendation

Members are asked to:

- approve the approach (Appendix slides 4-11) and the initial results (slide 12).

Innovation & Growth will then:

- test these initial results with business and government;
- develop further integrated country plans for higher priority markets;
- develop further the Operating Model (slide 15) for the five categories; and
- report further to P&R in October.

### Main Report

#### Background

1. See the attached slide deck, which presents in detail:
  - a. **rationale and methodology** for the prioritisation (slides 2-5)
  - b. **data and mapping**, external and internal (slides 6-11)
  - c. **initial results** (slide 12)
  - d. **implications**, including for Operating Model (slides 12-15)
  - e. a sample integrated **Country Plan** for the US (slides 16-19)
  - f. **next steps** (slide 19).

## Current Position

2. Following the 2015 review of the effectiveness of the City Corporation's promotion of UK-based financial and professional services (FPS) by Sir Simon Fraser, we prioritised programmes, resources, networks and expertise around some 20 major international FPS partners. This was reflected in consistent programmes over the last three years, including engagement by the Lord Mayor, Chair of Policy and other senior Members.

## Options

3. The time is right to review this prioritisation for three reasons:
  - a. Firstly, the world has moved on. Global challenges from COVID19 to a new UK-EU relationship means we must reconsider priorities. At the same time, innovation is both changing the way we work internationally, and opening new competitive advantages in tech and ESG.
  - b. Secondly three years of investment in the previous 'top twenty' has developed important insights, expertise and networks. It has shown us where the return on investment has been the strongest and the scope to build further is greatest. It has confirmed the importance of both sectors and markets, and by mapping them against each other, we have created a matrix to focus on the most promising markets with the right sectors.
  - c. Finally, we have also changed internally, with the creation of Innovation and Growth Directorate (IG), greater focus on policy and promotion, and new expertise in key areas such tech and ESG. A second review by Sir Simon has also reinforced the focus on competitiveness, outcomes and matching resource to impact.
4. We have reviewed international priorities over the past three months, based on three factors:
  - a. **Experience.** Building on three years of the current focus, both partnerships in-market, but also (and just as importantly) in the UK, founded on specific sectors, relations with investors, exporters and HMG.
  - b. **Evidence.** Who are our key current partners in trade, FPS export and investment? Where is there most growth potential?
  - c. **Outcomes.** How do various countries and regions map onto objectives outcomes and key themes/expertise?
5. Initial findings - summarised in the attached slide 12 – make a case for five categories of international partners: Strategic, High-Growth, Established, Global Regions and Niche.
6. These results will need to be tested with business and government, but in the longer term can help provide a robust framework for:
  - a. deploying a clear and credible external and internal **narrative**
  - b. focussing on key **outcomes**
  - c. **prioritising** of Corporation resources, expertise and networks, and further **investment** in key areas
  - d. **planning** Corporation activity and programmes on a multi-year basis

## **Corporate & Strategic Implications**

7. This will provide focus, clarity and effective allocation of resources in pursuing the following of the Corporation's objectives:
  - a. [6.b.] to influence UK and global policy and regulation and international agreements to protect and grow the UK economy
  - b. [6.d.] to attract and retain investment and promote exports and services across multiple markets
  - c. [7.b.] to strengthen local, regional and international relationships to secure new opportunities for business, collaboration and innovation
  - d. [7.c.] to preserve and promote the City as the world-leading global centre for financial and professional services, commerce and culture
  - e. [8.c.] to identify future skills needs, shortages and saturations

## **Resource Implications**

8. For the rest of this financial year, International Engagement will be delivered within current resources and structures. However, based on the results, there may be in-year shifts of resources towards higher priority programmes.

## **Conclusion**

9. A snapshot of work in progress, leading towards a forward-looking framework to be approved in October.

## **Appendices**

- Appendix 1 – ' International Prioritisation: Focusing on the right partners and sectors' power point presentation

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