

<b>Committee:</b> Policy and Resources Committee	<b>Date:</b> 22 October 2020
<b>Subject:</b> City of London Corporation Partnerships Strategy	<b>Public</b>
<b>Report of:</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Decision</b>
<b>Report author:</b> Andrew McGowan, Head of UK Partnerships, Innovation & Growth	

### Summary

Two-thirds of all Financial and Professional Services (FPS) jobs are based outside London, and half of FPS exports originate outside the capital. To better represent the sector, the City Corporation agreed in 2017 to adopt a new UK Regional Partnership Strategy to support FPS across the country.

This has seen the development of six partnerships with key FPS centres in Birmingham, Cardiff, Scotland (Edinburgh and Glasgow), Leeds, Manchester and Northern Ireland. This resulted in shared strong support for agendas on investment, innovation and skills, and showcasing of the UK's FPS strengths to the global marketplace.

However, today's political and economic context post-Covid requires a step-change in approach to promote FPS' role in the whole-UK recovery, and in Government's Levelling-Up agenda. A new strategic approach is also necessary to advance the Corporation's policy and strategic goals in areas like ESG, retaining investment and supporting new innovative tech ecosystems: areas which would benefit from cross-UK support.

It is, therefore, proposed that a **refreshed Corporation UK Partnerships Strategy for 2020-2023** be adopted, that integrates Corporation priorities and programmes; complements both Corporation and regional partners' ambitions; and positions the UK as a world leading place to do business for FPS. We have developed a new approach, based on high-level shared outcomes, and underpinned by key guiding principles, set out below.

### Recommendations

Members are asked to:

- Approve the strategy refresh and Partnership Plan approach set out in the attached slide deck.
- Note that, alongside continuous progress monitoring, individual Partnership Plans will be reviewed in Summer 2021.

## **Background and Detail**

1. The rationale for engaging across the UK is clearer than ever:
  - 2/3rds of FPS jobs are outside London - to properly represent UK FPS, the Corporation must work to sustain and grow this base;
  - A healthy UK FPS sector is good for London: investors in the UK look to London for many of their needs but other operations are more efficiently delivered elsewhere due to lower costs/overheads, and different population skill profiles;
  - Other centres across the UK offer significant clusters of expertise in key sectors (for example asset management in Edinburgh; cyber security in Belfast; fintech in Manchester)
  - Cross-UK engagement is mission-critical to several of our objectives and policy goals (for example, in asset allocation to ESG, net zero, and leadership in FPS technology and innovation).
2. We can now build on the relationships and learning acquired since 2017. We believe we can deliver more impact by adding greater depth and policy substance to our partnerships, and focusing on shared strategic outcomes.

*A new approach focused on high-level shared outcomes:*

- Protecting and growing jobs & FPS-related GVA (Gross Value Added).
- Supporting the development of tech ecosystems.
- Supporting moves toward net zero.
- Raising the profile of the Corporation in the levelling-up agenda with Government, and influencing the prominence of FPS in this agenda.

*Underpinned by a number of key principles:*

- Bespoke, outcome-focused 'Partnership Plans' setting out shared objectives, outcomes and work programmes.
- Securing support from UK partners towards Corporation policy goals and projects (e.g. in ESG, innovation, skills and regulation).
- Strategic relationship management of key partners through senior principal engagement and ongoing officer account management.
- Stronger Monitoring and Review mechanism for each partnership: external 'Partner Working groups' of key stakeholders meeting quarterly to review Partnership Plans.
- Specific metrics which underpin the desired high-level macro outcomes.
- Strong evidence base supporting the prioritisation of our 6 partners and areas of focus.

3. We have looked closely at whether to expand the programme to further cities. We have analysed the data on jobs/GVA across the UK, as well as the political context. There are 22 towns and cities that have more than 10,000 people employed in the sector. We could expand the list of cities we engage with. But there is a strong argument for focusing on the cities where there is most activity. These are the cities we are already engaging with. This allows us to build deeper relationships and have greatest impact. At the same time, where important centres are not included we can engage with them on an ad hoc basis.

#### *Offer*

4. Partner engagement has reinforced that the City Corporation has a clear role in supporting FPS across the UK. Our regional work has also met with interest in meetings with senior contacts in No. 10 and DIT (Department for International Trade).
5. We have crystallised a unique content-rich offer centred on:
  - Thought leadership in innovation – in green and green finance, impact investment and fintech; and in skills, regulation and trade.
  - Access to central Government.
  - Global reach and profile.
  - Ability to attract investment.

#### *Next steps*

6. We plan to continue to externally validate and build partnership agreements with our remaining partners. We will take the remaining Partnership Plans through the validation process in the coming months for each of our six priority partners. As very limited resources allow, we will also look at ad hoc activity with other centres or economic geographies where strategic alignment exists.

**Andrew McGowan**

Head of UK Regions

E: [andrew.mcgowan@cityoflondon.gov.uk](mailto:andrew.mcgowan@cityoflondon.gov.uk)