



**THE
GLOBAL
CITY**

The City Corporation's UK Partnerships: Refreshing our Strategy

October 2020



Summary

A refreshed Strategy, to better represent UK FPS and deliver greater impact

Based in policy substance & aligned with City Corporation and partner aims

Prioritising six key partners across the UK

Built on:

- **Clarity of rationale** for our UK involvement, and outcomes
- A **stronger evidence base** for our priority partnerships
- Reviewing **strategic communications**
- A new approach:
 - **mutually agreed Partnership Plans** aligning CoLC policy priorities & partner ambitions; shared responsibility for delivery
 - **Partnership Working Groups** monitoring progress
 - Clarity on **key stakeholders**



**THE
GLOBAL
CITY**

A refreshed Strategy: better aligned to Corporation and Partner aims, with clear outcomes

Why does UK FPS performance matter to us?

- 2/3rds of FPS jobs are outside London
- 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/effectively delivered elsewhere (lower costs/overheads; different population skill profiles; significant clusters of sectoral expertise)
- Cross-UK engagement is **critical to our policy goals** (ESG, net zero, innovation)
- FPS should be at the **heart of the recovery from COVID across the country** -
- **- We can support HMG levelling-up agenda on FPS**

Overall Outcomes & Success Metrics

- Protect and grow jobs & FPS-related GVA
- Build tech ecosystems
- Support net zero ambitions
- Attract infrastructure investment
- **Position the UK as a world-leading place for FPS to do business**



**THE
GLOBAL
CITY**

New approach – Partnership Plans with mutual accountability

- Build on existing **strong stakeholder relationships**
- Select partners/thematic areas through **qualitative and quantitative evidence**
- Work across IG and wider CoLC to assess where our **objectives align** with UK partners
- Develop bespoke **Partnership Plans** focused on growing FPS ecosystems and building capacity in our partners to deliver, by:
 - Building resilience – investment in ESG/Green infrastructure and firms, skills
 - Building future growth, attracting capital into new technologies
 - Advocating for FPS at the heart of place economies to HMG and partners
 - International promotion of whole UK FPS offer to key aligned markets
 - Bring together UK support for CoL policy goals delivery
- **Externally verify** Plans with partners, set out delivery accountability, monitor progress
- Underpin macro outcomes with **partner-specific metrics**



How? – evidencing priorities, building and validating Partnership Plans

Assess data and priorities

Evidence partner prioritisation

Policy and substance

Agree internal offer and policy content

Verify mutual interests

Senior external engagement through VEP

Agree Partner Plans

Validate Plans with partner with clear mutual accountability; regularly review



**THE
GLOBAL
CITY**

Partners prioritised based on data, impact and reach

- Since 2017 the Corporation has built relationships with **six key partners:** Birmingham, Cardiff, Scotland (Edinburgh & Glasgow), Leeds, Manchester, and Northern Ireland.
- Using data on employment, FDI, GVA, FPS exports and other factors we have **evaluated our partnerships. We will continue to prioritise the current partners. Devolved government sponsorship has lifted work with Edinburgh to national level.**
- **We will regularly evaluate relationships, impact and data on key partners to make sure we get our prioritisation right.**
- We are also **developing our understanding of partners' unique capabilities and priorities.** This will ensure we can work on real areas of mutual interest.
- More **ad-hoc, less formal work** could be appropriate in other geographies where opportunities arise/resource permits.



**THE
GLOBAL
CITY**

Our partners represent and connect to significant critical mass...

		Jobs	FDI		GVA		Exports
		FPS jobs	FDI FPS job creation (total 2013-2018)	FDI capital investment in FPS (total 2013-2018, \$USD million)	FPS % of GVA	FPS GVA total	Financial and insurance exports (region and nation)
Scotland	Edinburgh	49,685 14.9% of total	617	\$183.5m	25.2%	£5,728m	SCOTLAND: £6.27BN
	Glasgow	39,270 9.3% of total	592	\$131.4m	12.2% National: 9.4%	£2,387m	
North of England	Manchester	46,095 12.3% of total	580	\$200.7m	15.9%	£3,133m	NORTH WEST: £5.06BN
	Leeds	40,910 12.5% of total	320	\$129.02m	13.4%	£3,124m	
WM	Birmingham	50,205 9.6% of total	1,291	\$329.9m	11.9%	£3,331m	WEST MIDLANDS: £3.39BN
Wales	Cardiff	21,810 10% of total	587	\$129.2m	14.2% National: 6.2%	£1,737m	WALES: £2.34BN
Northern Ireland		35,000 4.7% of total	41	\$16.8m	6%	£2,383m	NORTHERN IRELAND: £812M
Present non-core	e.g. Newcastle	13,080 7.4% of total	N/A	N/A	7.9%	£984m	NORTH EAST: £1.29BN

Sources: TCUK; fDi Intelligence, Financial Times 2019; ONS



**THE
GLOBAL
CITY**

...And have complementary priorities and strengths

		Observations		Alignment
		Sector Strengths*	Priorities**	Priority CoLC areas
Scotland	Edinburgh	Banking, insurance, fund management, management consultancy, legal services	National: Green finance, tech, promotion, SNIB, immigration	COP26; F4G; PBII; VC; export, Global City; reg and immigration
	Glasgow	Banking, insurance, accounting, legal services		
North of England	Manchester	Banking, insurance, related professional services	Green/decarbonisation, infrastructure, fintech	F4G; skills; promotion;
	Leeds	Banking, insurance, accounting, legal services	Legaltech (including flagship research on sector) , fintech, MIT REAP programme	Legaltech work,F4G; promotion
WM	Birmingham	Banking, insurance, all professional services sectors	Infra/capital investment, inward investment in tech, promotion to SWF, Brexit challenges	Connection to SWFs; regulation; possible PBII
Wales	Cardiff	Insurance	FDI, City Deal	Promotion; PBII; intros to FDI opportunities
Northern Ireland		Banking, cyber-security, fintech	Fintech, City Deal, digital skills, 're-shoring'	Promotion of leading cyber sector; skills and digital capacity; FDI; fintech



**THE
GLOBAL
CITY**

Priorities map across to Partnership Plans – example: Greater Manchester

Partnership Plan – Greater Manchester

Objective

- Support inward investment to Greater Manchester
- Support fintech ecosystem and make connections to VC
- Green, net zero – align on both finance and civic activity (e.g. Clean Air Plan)
- Flag infrastructure investment opportunities and policy levers (e.g. PBII)
- Mutual learning and input on skills and immigration agenda
- Jobs and GVA – promotion and collaboration via MIDAS

Key Facts

- 10 metropolitan boroughs representing the largest city region economy outside London, with a GVA of £62.8bn. Prior to COVID Manchester was on a steep upward curve in terms of job creation which was projected to outpace Berlin, Paris and Tokyo between 2015 and 2020.
- Andy Burnham sees value in connection with the City and has supported the relationship but is keen to see real impacts
- 46,000 jobs in FPS – 12.3% of total employment; FPS represents 15.9% of GVA.
- Strengths in banking and insurance are complemented by a growing and prominent fintech sector which the Corporation has sought to promote and connect to VC.

External factors and challenges

- Relationship with HMG, especially around COVID response
- Evident limits on bandwidth/capacity to engage
- Rivalry with other centres/leaders
- Metro Mayor elections in 2021



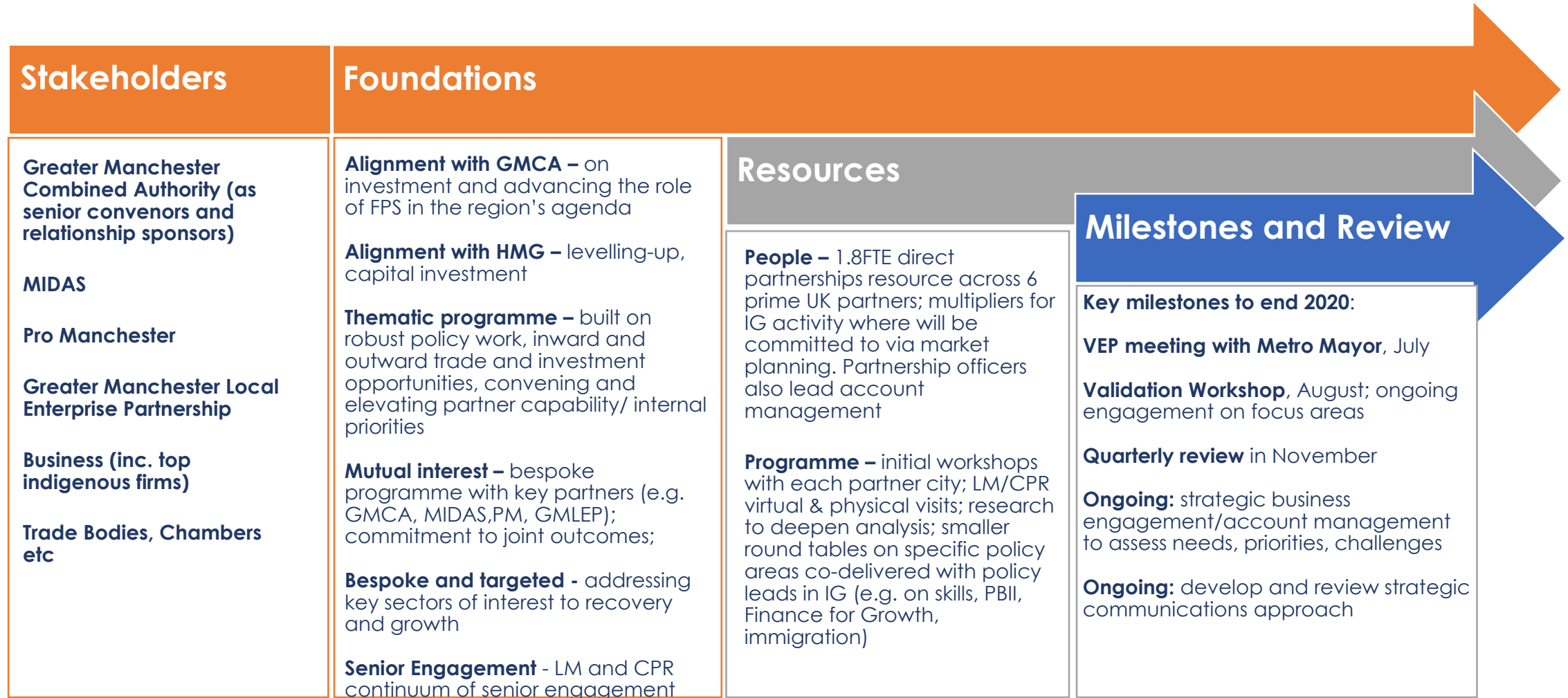
**THE
GLOBAL**

Our key workstreams with Manchester support our objectives

Workstream	Objective	One Year Outcome	Three Year Outcome and Impacts
Green finance	Work with GM on civic & strategic green ambitions Connect ambitions on retrofitting with investors Share best practice – clean air plans Better connection to GFI	Shared learning on clean air and net zero ambitions Facilitate dialogue with investors in retrofitting and civic/infra plans Understand pipeline of investable projects, connect to investment Broker relationship with GFI	Measurable impact on green investment/jobs/projects. More visible UK green role for Corporation Progress toward net zero Supported civic investments PROTECT & GROW JOBS & GVA, SUPPORT NET ZERO.
Fintech	Support flagship GM sector Connect to VC inc. US Promote via delegations Promote general international investment Input to Fintech Strategic Review Support MIDAS virtual mission	Number of fintech firms on delegations, specifically US Share ecosystem best practice Increase understanding of GM ecosystem and trends Showcase firms to delegations	Impact on jobs and investment into GM fintech Stronger ecosystem better connected to London BUILD TECH ECOSYSTEMS, PROTECT & GROW JOBS AND GVA.
Inward Investment	Connect to global and domestic investment opportunities Broaden capital investment scope	Improved understanding of GM investment needs Work with DIT on capital investment agenda	Investments made in GM as a result of connectivity PROTECT & GROW JOBS & GVA, ATTRACT INVESTMENT.
Export	Showcase opportunities with sectoral/international market focus (e.g. GM firms on delegations).	GM firms better connected to our international markets according to their priorities Number of firms represented on delegations increased	More formal structures built around specific sectoral exports and market prioritisation Specific relationships with international markets PROTECT & GROW JOBS, POSITION THE UK AS A WORLD-LEADING PLACE.
Innovation	GM input into Finance for Growth 'industrial strategy for growth finance' Place-based impact investment input	Richer input to our innovation agendas. Explicit GM support for recommendations and implementation of innovation workstreams	Advanced innovation agendas embedded in GMCA. Mutual dialogue enriching our thinking Potential co-creation of innovation projects BUILD TECH ECOSYSTEMS, PROTECT & GROW JOBS & GVA
Promotion	Improve quality of GM case studies and material for Global City campaign	GM properly represented as part of whole-UK FPS offer with City Corporation as visible advocate	Mutual promotion of the benefits of the joint relationship including of the City by GMCA ATTRACT INVESTMENT.
Skills	Input to and support for activity with FSSC and SMSC on skills needs and capabilities	Factoring in Manchester voice on skills needs. Also playing into reg agendas on immigration policy Particular focus on needs of smaller, agile firms	Government, firms and City collaborating on skills programmes PROTECT & GROW JOBS & GVA.



Manchester stakeholder planning and resources





**THE
GLOBAL
CITY**



**THE
GLOBAL
CITY**

Partnership Plan example: Scotland

Partnership Plan - Scotland

Objective

Grow our collaboration with Scotland in key priority content areas; support promotion to key markets; align around Green and COP26, with Climate Change strategy to be published shortly; promote Scottish National Investment Bank and connect to international VC; greater coherence in FPS between Scotland and CoLC as twin centres

Key Facts

- 161,000 people employed in FPS, principally Edinburgh and Glasgow
- Second highest performing region for FDI in the UK after London
- Strengths in banking, insurance and long-term savings, asset management, asset servicing, and FS expertise
- Principal focuses: asset management: £615 billion managed in Scotland, equating to 8% of assets under management in the UK in 2017 (source: Investment Association). Around 7,500 people are employed directly in asset management in Scotland; Edinburgh is the leading centre of asset management activity
- Strong HE sector – compatible with Corporation innovation activity

External factors and challenges

- Brexit
- Forthcoming elections
- Covid-19
- Independence and its implications for our relationship
- Relationship with UK Government and Scotland Office

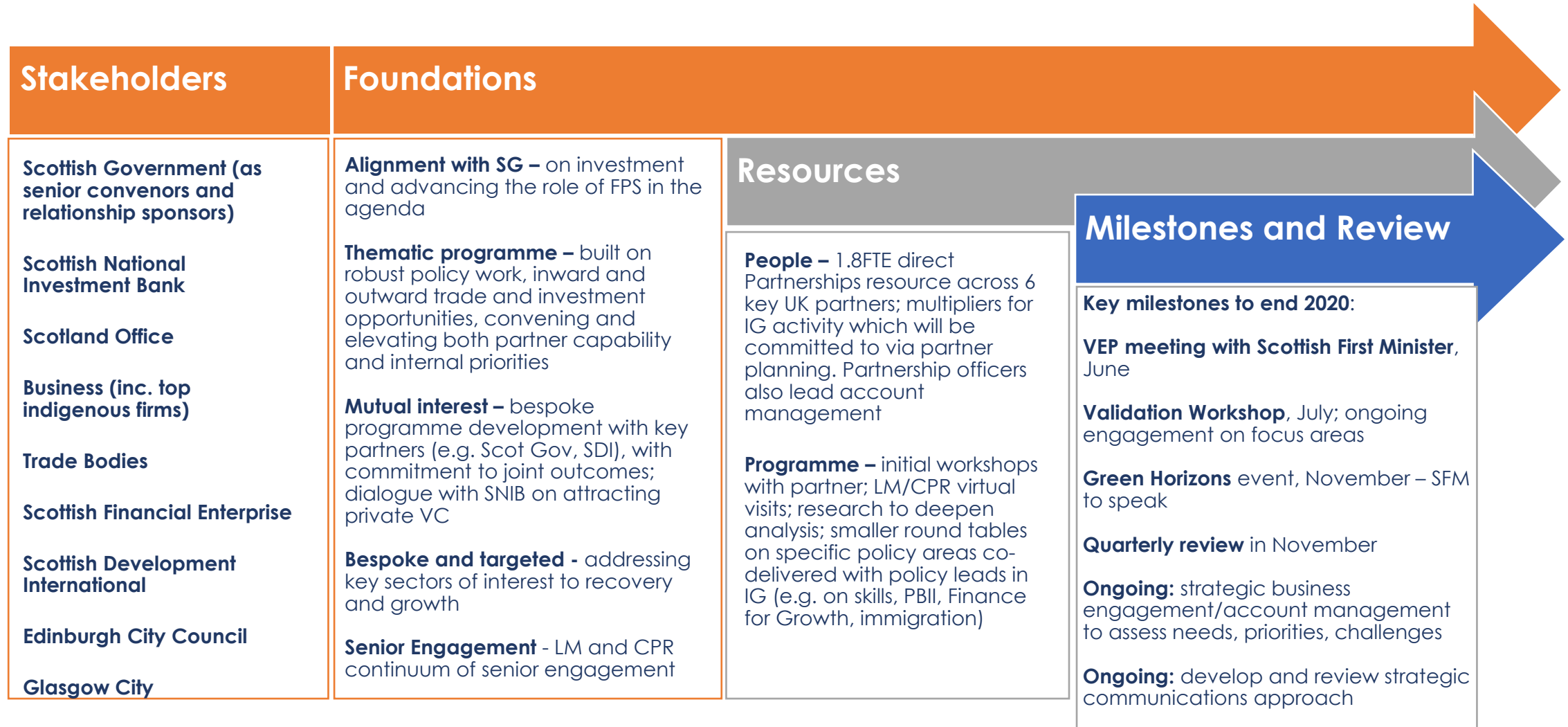


Key workstreams with Scotland

Workstream	Objective	One Year Outcome	Three Year Outcome and Impacts
Green finance	Drive COP26 and shared agenda FM speaking at Green Horizons Summit Connect pipeline of projects with investors Link to SNIB net zero mission Better connection between Scotland/GFI	Coherence between Scottish Govt and Corporation. Facilitated dialogue with investors Better understand and grow pipeline of projects and capital flow SG engagement with GFI	Measurable impact on green investment/jobs/projects. More visible role for Corporation in green across the UK exemplified by this relationship Progress toward net zero goal PROTECT & GROW JOBS & GVA, SUPPORT NET ZERO.
Fintech	Growing understanding of UK fintech Scottish firms' input to Fintech Review Showcase Scottish Fintech internationally Increase international investment in Scottish and UK fintech	Grow understanding of Scottish fintech and its role in UK ecosystem Better showcasing of investment opportunities Sharing of best practice with other regions	Impact on jobs and investment into Scottish fintech Stronger ecosystem better connected to London BUILD TECH ECOSYSTEMS, PROTECT & GROW JOBS AND GVA.
Inward Investment	Connect to SNIB Highlight investment opportunities Connect with private and international VC	Mutual learning on mission-led investing Ability to input to SNIB net zero goals and ambitions Connect SNIB with international VC/private capital	Role in driving SNIB investments Investments made in Scotland as a result of connectivity PROTECT & GROW JOBS & GVA, ATTRACT INVESTMENT.
Export	Showcase opportunities with sectoral/international market focus (e.g. asset management firms in Edinburgh with China) Scottish firms on delegations	Scottish firms better connected to our international markets according to their priorities Number of firms represented on delegations increased	More formal structures built around specific sectoral exports and market prioritisation Specific relationships with international markets PROTECT & GROW JOBS, POSITION THE UK AS A WORLD-LEADING PLACE.
Innovation	Thematic focus on green recovery Scottish input into Finance for Growth 'industrial strategy for growth finance' Place impact investment input/ sponsorship	Richer input to our innovation agendas Explicit Scottish support for recommendations and implementation of innovation workstreams	Advanced innovation agendas embedded in SG Mutual dialogue enriching our thinking Potential co-creation of innovation projects BUILD TECH ECOSYSTEMS, PROTECT & GROW JOBS & GVA
Promotion	Improve quality of Scottish case studies and material for Global City campaign	Scotland properly represented as part of whole-UK FPS offer with City Corporation as visible advocate	Mutual promotion of the benefits of the joint relationship including of the City by SG ATTRACT INVESTMENT.
Skills	Input to and support for activity with FSSC and SMSC on skills needs and capabilities	Factoring in unique Scottish voice on skills needs. Also playing into reg agendas on immigration policy	Government, firms and City collaborating on skills programmes PROTECT & GROW JOBS & GVA.



Scotland stakeholder planning and resources



Next steps – confirm approach & complete validation for all partners

