

<b>Committee</b> Policy & Resources	<b>Dated:</b>
<b>Subject:</b> Update on Implementation of the Partnership Agreement between the City of London and TheCityUK	<b>Public</b>
<b>Report of:</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Information</b>
<b>Report author:</b> Kerstin Mathias, Regulatory Affairs Director	

### Summary

Members of Policy & Resources approved a new, ambitious partnership agreement between the City of London and TheCityUK in December 2019. Both parties committed to an annual review of the partnership and progress made against the objectives set out in the agreement.

The primary objective of the agreement is to further build on the relationship between the two organisations by developing and agreeing principles for closer partnership in order to:

- Maximise impact of the work done
- Minimise duplication/overlap
- Enhance the quality of work being done on behalf of the ecosystem
- Streamline structures

Good progress has been made on all the above. This has also been acknowledged by the financial and professional services (FPS) industry.

The following priorities have been agreed for 2021:

- Enhanced collaboration on tech/digital
- Exploration of further measures to exploit complementary strengths in our cross-UK engagement
- Continued focus on the international agenda

### Recommendation(s)

That Members note the contents of this report.

### Main Report

#### Background

1. The Partnership Agreement is the most ambitious that the Corporation has agreed with an FPS organisation, and reflects the crucial relationship with TCUK.

2. As per paragraph seven of the partnership agreement, this report assesses progress made during 2020 and sets out priorities for the next year.

## **Progress made**

3. Overall, good progress has been made on all four aims set out in the partnership agreement:
  - *Maximise impact of the work done:* Through enhanced transparency and collaboration, both organisations have been better equipped to discuss each other's work in their own engagement. A good example of this is our work on London Recharged and TheCityUK's recapitalisation project.
  - *Minimise duplication/overlap:* While work has sometimes been conducted on similar areas, we have succeeded in ensuring these pieces were complementary. For example, where responses to the same consultations have been submitted these were coordinated and two submissions made to enhance overall impact in support of the industry.
  - *Enhance the quality of work being done on behalf of the ecosystem:* The effectiveness of the engagement by both organisations (joint and separate) has been enhanced. Care was given to provide opportunities to comment on developing pieces of work in priority areas leveraging expertise from both organisations.
  - *Streamline structures:* Structures for organising and delivering EU engagement have been optimised. Good mechanisms for collaboration are in place in many areas, e.g. around China and India.
4. Collaboration has been strengthened across the full range of our activity. Examples include:
  - *Cultural integration* - continued closer working has helped with cultural integration and to limit the impact of Covid-19. Regular meetings of senior leadership and management teams continue to take place.
  - *International* – much closer working on China, Switzerland and the US. There is very close collaboration in the lead up to and after relevant industry discussions and in response to political developments.
  - *IRSG* – the IRSG retains its position advising the City of London and TheCityUK. The IRSG has produced several well received papers on issues like global regulatory fragmentation and data localisation. It has also drafted industry responses to both EU and UK consultations.
  - *Europe* - both organisations collaborate very closely on a regular basis. The joint engagement programme has allowed us to cover a wider range of stakeholders and deliver a coherent programme of engagement on behalf of the industry.
  - *Financial Services Skills Commission* - TheCityUK and the City of London (including through secondment of the now Chief Executive of the Commission) worked in partnership to establish the Financial Services Skills Commission.

5. A new Coordination Body was formed to oversee the implementation of the partnership agreement. This body is chaired by the Chair of TheCityUK 's Public Affairs Group and the Chair of Policy & Resources.

## **Priorities for 2021**

6. Building on progress made in 2020, considering maturity of the work programmes and the broader industry agenda, the following priorities for 2021 have been identified:
  - *Enhanced collaboration on tech/digital* – this is an area of ever-growing importance for the industry with well-established work programmes by the City of London and TheCityUK.
  - *Exploration of further measures to exploit complementary strengths in our cross-UK engagement* – this a major priority for HMG, the City of London and TheCityUK. Two thirds of all FPS jobs are based outside London.
  - *Continued focus on the international agenda* – enhancing market access for the UK-based industry will continue to be a core part of UK competitiveness. Resources and expertise are still being built up across our key stakeholders.

## **Corporate & Strategic Implications**

7. This will provide focus and clarity in pursuing Objective 10 [Better support of FPS through greater cooperation and reduced duplication of activity] under Innovation & Growth's 'Partnership & Engagement' workstream.

## **Resource Implications**

8. There are no resource implications. Though closely linked, our financial contribution to TheCityUK is not set out in the partnership agreement.

## **Conclusion**

9. The FPS industry faces unprecedented challenges. Closer collaboration with our industry partners is essential to maximise the City of London's effectiveness. This is especially true for our relationship with TheCityUK. The partnership agreement has provided a structure for more streamlined and effective collaboration.

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