

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
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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.

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