

| | |
|---|-----------------------------|
| Committee(s): Communications and Corporate Affairs (Policy & Resources) Committee – For information | Dated: 07/06/2022 |
| Subject: Parliamentary Team Update | Public |
| Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly? | 6,7,8,9,11 |
| Does this proposal require extra revenue and/or capital spending? | N/A |
| If so, how much? | N/A |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain’s Department? | N/A |
| Report of: Paul Double, City Remembrancer | For Information |
| Report author: William Stark, Parliamentary Engagement Officer | |

Summary

This summary updates Members on the main elements of the Parliamentary Team’s previous and planned activity in support of the City of London Corporation’s political and parliamentary engagement since the last formal update to the subcommittee’s predecessor in January 2022.

Recommendation(s)

Members are recommended to note the report.

Main Report

Legislative Programme Update

1. The Government’s legislative agenda for the new Session saw the announcement of 32 new Bills in The Queen’s Speech (with an additional six carried over from the previous session). Most pertinent among these for the financial professional services sector is the Financial Services and Markets Bill, which anticipates significant changes to financial services regulation. Other measures of particular note include legislation to put electronic trade documents on the same legal footing as paper documents (Electronic Trade Documents Bill), reforms to strengthen the regulatory framework for academy trusts (Schools Bill) and reforms to Companies House aimed at reducing economic crime (Economic Crime and Corporate Transparency Bill).
2. A full summary of measures announced in The Queen’s Speech is set out in an appendix. The narrative which follows provides an update on Acts relevant to the City Corporation already given Royal Assent when Parliament prorogued on the 28 April. Acts with implications for service departments will be reported to the relevant service committee/subcommittee.

Acts that have received Royal Assent

3. **Building Safety Act** – Part of the Government's post-Grenfell Tower fire reforms, the Act establishes a new Building Safety Regulator with responsibility for a new regulatory regime for higher risk buildings. Debate focused on the definition of "higher risk" buildings (settled as 18 metres or 7 storeys in height) and related Government announcements on leaseholders facing costs for remedial work. The Act will also be reported to the Community and Children's Services Committee.
4. **Skills and Post-16 Education Act** – The main vehicle for the Government's skills proposals, the Act introduces "Local Skills Improvement Plans" to improve communication between local education providers and employers. The Act also introduces the powers needed to introduce the Lifelong Loan Entitlement, giving adults four years' worth of student loans for Level 4-6 qualifications, which is to be introduced in 2025. The Act will also be reported to the Education Board.
5. **Education (Careers Guidance in Schools) Act** – The short Act, which originated as a Private Members' Bill and received Government support, extends the statutory obligation faced by all other state funded schools to provide independent careers guidance between Years 8 and 13 to academies. Academies had not necessarily faced a duty to do so, though most academies did have to provide this guidance as part of their funding agreements. The Act will ensure that all state funded schools face the same statutory obligations, and extends this obligation down to Year 7. All City Corporation Academies are already meeting the requirements of the Act. The Act will also be reported to the Education Board.
6. **Local Government Disqualification Act** – Having been introduced as a Private Members' Bill and received Government backing, the short Act removes a loophole where individuals who are on the sex offenders register can stand for election or hold office in borough and county elections. Currently while those who are added to the register and are subject to a custodial sentence are automatically disqualified from their elected post, those who do not receive a custodial sentence are not automatically disqualified. The Act does not apply to City elections which are governed by their own legislation (the City of London Municipal Elections Act 1849). The ambit of this Act is broadly stated and may already be susceptible to interpretation which covers the situations dealt with in the new Act. If not, this subcommittee will be advised on the action recommended to secure alignment.
7. **Charities Act** – The Act, which provides for some greater flexibilities in charity administration, was reported to the Bridge House Estates Board and the Managing Director during its progress through Parliament. The Act was also reported through the regular Parliamentary Team updates to this subcommittee's predecessor.
8. **Environment Act** – This Act is the subject of a separate report to today's meeting of the subcommittee. It amends existing environmental legislation and introduces new measures in a range of environmental policy areas. Its provisions relating to the local air quality management framework and smoke

control areas came into force on 1st May, with further provisions due to come into force over the course of 2022. The City Corporation was active during the Act's passage through amendments tabled by Lord Tope (Liberal Democrat), which sought discretionary powers for local authorities to control emissions from combustion plant, if they chose to declare their area an 'Air Quality Improvement Area'. The Act has also been reported to the Port Health and Environmental Services Committee.

9. **Economic Crime (Transparency and Enforcement Act)** The Government fast-tracked the Act as part of the UK's response to the Russian invasion of Ukraine. The Act allows UK authorities to obtain information about beneficial owners of companies and to issue 'unexplained wealth orders' in cases where there are reasonable grounds for suspecting that the known sources of someone's lawful income would be insufficient to obtain the property. The Act adds flexibility to the UK sanctions regime, for example by removing the requirement that a minister must review penalties for breaches of sanctions law personally.
10. **Animals (Penalty Notices) Act** – This Act was introduced as a Private Members Bill and received Government support. It will enable the introduction of penalty notices for existing offences relating to animal health, welfare, biosecurity and products, with a maximum fine of £5,000. Regulations will be published setting out the relevant offences and the local authorities which may issue FPNs in relation to those offences.
11. **Elections Act** – This measure made changes to election law such as introducing voter ID in parliamentary and local elections in England, removing the 15 year limit on overseas voters in UK parliamentary elections, and changing the ability for EU citizens to vote in local elections in England and Northern Ireland (including the City's ward elections). The Act also introduces a "first past the post" system for the election of all Police and Crime Commissioners (PCC), Combined Authority Mayors, and the Mayor of London. The Office engaged during the Bill's passage through Parliament to ensure comparable application to the City ward elections in respect of EU citizens. The Bill was reported to Policy & Resources Committee and, separately, to this subcommittee's predecessor through the Parliamentary Team updates. A further out turn report will be submitted to Policy & Resources Committee.
12. **Police, Crime, Sentencing and Courts Act** – The Act makes provision for the protection and wellbeing of police and other emergency workers and grants the police further powers to address crime and disorder. The Act's public order provisions, which strengthen police powers to restrict public processions and assemblies, have been met with controversy, including so-called 'Kill the Bill' protests. The Act includes provision repealing the Vagrancy Act 1824, which made rough sleeping and begging criminal offences in England and Wales. The repeal will not come into force for up to 18 months, and after replacement legislation has been passed. The Act has also been reported to the Police Authority Board.

13. **Armed Forces Act** – The Act makes provision for the renewal of the Armed Forces Act 2006, enabling the maintenance of a standing army. It also makes provision for amendments to the Service Justice System. Of greater interest to the City Corporation, the Act also enshrines the Armed Forces Covenant in law to prevent service personnel and veterans being disadvantaged when accessing services from public bodies such as healthcare, education and housing. The City Corporation is a longstanding signatory to the Armed Forces Covenant, which was signed during Dame Fiona Woolf’s mayoralty, and has policies in place to ensure that the armed forces community is given due regard when accessing housing and education services.
14. **Judicial Review and Courts Act** – This Act makes changes to the process of judicial review and, separately, provides the City Corporation with flexibility on the location of its courts. The Act has been reported to this subcommittee’s predecessor through the Parliamentary Team’s updates.
15. **Public Service Pensions and Judicial Offices Act** – The Act makes provision about public service pension schemes. It empowers the Secretary of State to issue guidance to authorities that administer public sector pension schemes, including the local government pension scheme, on investment decisions which it is not proper for the scheme manager to make in light of UK foreign and defence policy. The Act also raises the mandatory judicial retirement age from 70 to 75. This subcommittee’s predecessor was updated on the Bill through the Parliamentary Team updates.
16. **Professional Qualifications Act** – The Act creates regulation-making powers designed to implement a new framework for the recognition of overseas professional qualifications in the UK, replacing existing EU-derived law in this area. The City’s interest in the Act derives from its implications for the recognition of overseas legal qualifications. The Law Society, the Bar Council and Association of Costs Lawyers fall within the scope of the legislation as regulators and play a role in determining whether overseas qualifications are recognised. The Act was reported to this subcommittee’s predecessor through the Parliamentary Team updates.

Bills without Royal Assent at Prorogation

17. **Online Safety Bill** – The Government’s flagship Bill to improve tackle harms online was only introduced and had its Second Reading shortly before prorogation. As such it was subject to a carry-over motion and consideration will resume in the next session. Further detail on the Bill and engagement activities can be found below in the Forward Look section. A separate report on the progress of the Bill will be submitted to the Police Authority Board.
18. **Pedicabs (London) Bill** – This Private Members’ Bill, brought forward by the City’s MP Nickie Aiken, fell when Parliament was prorogued. The Bill had provided for the regulation of the carrying of passengers in Greater London by pedicabs (rickshaws), which had been benefited from a legal loophole meaning they do not fall under TfL’s licensing powers. Secretary of State for Transport, Grant Shapps, committed to introducing a Bill in the next session to tackle the

“wild west” of regulation for pedicabs, and provisions will be included in the new Transport Bill.

19. Other Government Bills outstanding at the end of the session include the **Higher Education (Freedom of Speech) Bill**, a measure to toughen freedom of speech protections at universities, which is subject to a carry over motion. Also carried over is the **Animal Welfare (Kept Animals) Bill**, which empowers the Secretary of State to apply restrictions through secondary legislation to imports of dogs, cats and ferrets on welfare grounds, and decreases the number of pets that can travel in a single non-commercial movement.
20. All outstanding Private Members’ Bills fall at the end of the session, including the **Emissions Reduction (Local Authorities in London) Bill**. This Bill was developed and drafted by the Corporation on a collaborative basis with London Councils. It was first introduced in the Lords by Lord Tope (Lib Dem) in January 2020, but it was unable to progress further owing to a lack of parliamentary time. In December 2021, Lord Tope re-introduced the Bill in the House of Lords. The Bill sought discretionary powers for Local Authorities to control emissions from combustion plant, if they chose to declare their area an ‘Air Quality Improvement Area’. The provisions of the Bill were reflected in amendments to the Environment Bill which Lord Tope tabled at Committee and Report stages in the Lords. These prompted discussion in the Lords on local authority powers and received cross-party support but were not ultimately adopted by the Government although discussions in liaison with the Chairman of the Port Health and Environmental Services Committee are continuing.

GLA and the Devolved Institutions

21. Following the tabling of a question to the Mayor of London on economic crime by London Assembly Member Neil Garratt (Con), the Office arranged a meeting between him and the City of London Police to discuss their work as lead force for economic crime.
22. The Office also supported the City of London Police in preparing for an appearance before the Assembly’s Police and Crime Committee to discuss economic crime in London.
23. Support was also offered by the Office to Common Councillor Shravan Joshi, the then-Deputy Chairman of the Streets and Walkways Committee, ahead of his appearance before the London Assembly Transport Committee to discuss ‘Vision Zero’ (the strategy to reduce road deaths and serious injuries in London to zero) and approaches to making streets more active travel-friendly.
24. The London Assembly recently held its annual general meeting, electing as its Chair for the forthcoming year Labour’s Dr Onkar Sahota. Last year’s Chairman, Andrew Boff (Con) took the position of Deputy Chair. Committee chairmanships were this year appointed from all four parties represented on the Assembly (the Conservatives, Greens, Labour and Liberal Democrats). Of

greatest interest to the City Corporation, Hina Bokhari (Lib Dem) took the chairmanship of the Economy Committee, Zack Polanski (Green) the chairmanship of the Environment Committee, and Sian Berry (Green) the chairmanship of the Transport Committee.

Quarterly Forward Look

25. Significant progress has been made in resuming face to face engagement with the relaxation of COVID-19 restrictions. The final COVID-19 restrictions on the Parliamentary Estate, which imposed room capacity limits and restricted room bookings for All Party Groups, were dropped on 25 April. In light of these changes, it is anticipated that more face-to-face engagement will take place.
26. Two by-elections are due to be held following the resignations of Conservatives Imran Ahmad Khan (following his conviction for sexual assault) and Neil Parish (following accusations of watching pornography in the House of Commons).
27. Priorities for forthcoming engagement include the Financial Services and Markets Bill, the promotion of IRSG work on ESG, and the prioritisation of fraud within the Online Safety Bill.
28. The Office will engage closely with IG and Corporate Affairs colleagues in formulating a response to the Financial Services and Markets Bill when it is introduced. The Bill will provide a key engagement opportunity to promote the financial services sector and the work of the Corporation. Preparations are underway in identifying key parliamentary stakeholders for engagement on the Bill. A number of forms of engagement are under consideration, including oral briefings on the Bill's provisions, written submissions to the Public Bill Committee on the Bill, as well as written briefings to MPs and Peers throughout its passage. The Office will work collaboratively with the Communications and Corporate Affairs teams on messaging on the Bill, ensuring a consistency of approach across the Corporation.
29. The announcement of the Financial Services and Markets Bill comes with considerable parliamentary interest in financial services regulation. Since the last meeting of this subcommittee's predecessor, the Office has prepared written evidence to inquiries by the Lords European Affairs Committee into the UK-EU relationship in financial services and the Lords Industry and Regulators Committee's inquiry into commercial insurance and reinsurance regulation.
30. The fraud provisions in the Online Safety Bill will be of particular interest to the Parliamentary Team in coming months. The Office, in collaboration with the Corporate Affairs, Media, and Police Authority Board teams, has advocated for the greater inclusion of fraud within the Bill's provisions as it passed through pre-legislative scrutiny over the past year.
31. The Bill received its Second Reading just prior to the Queen's Speech, where the Office issued a briefing highlighting the impact of fraud and importance of the Bill's fraud provisions. The Bill was then carried over into the current parliamentary session. The submission of evidence to the Public Bill Committee

on the Bill reflecting Corporation policy will be accompanied by the close monitoring of the Bill's fraud provisions. At Second Reading it was noted that, as drafted, the Bill would place different responsibilities to tackle fraud on different types of online platforms. MPs were concerned by claims that search engines would face fewer requirements than large social media platforms. Minister Chris Philp said that the Government intended to make "drafting improvements" to the Bill, which the Office will monitor and respond to appropriately.

32. Further engagement on fraud took place through oral and written evidence given to the Justice Committee as part of their inquiry into fraud and the justice system. T/Commander Clinton Blackburn, Head of the City Police's Economic Crime Directorate gave evidence alongside Rob Jones, Interim Director General of the National Economic Crime Centre; and Mark Shelford, Police and Crime Commissioner for Avon and Somerset and Economic and Cybercrime Lead of the Association of Police and Crime Commissioners. The session considered the scale of fraud in the UK, the investigation of fraud cases, and digital fraud skills in enforcement agencies. T/Commander Blackburn highlighted the need to make fraud a priority through its inclusion in the strategic policing requirement. Officers also held a follow up meeting with one of the Committee's Clerks to discuss the committee's upcoming work.
33. In April, oral evidence was given to the House of Lords Committee on the Fraud Act 2006 and Digital Fraud by Pauline Smith, Director at Action Fraud, and Neil Postins, Service Delivery Manager at National Economic Crime Victim Care Unit to discuss victims' experience of economic crime. Assistant Commissioner of the City Police Pete O'Doherty is due to appear before the same Committee on 16 June to discuss the City force's responsibility as National Lead Force.
34. Highlighting the role of financial services in levelling up will also be a priority for the Office over the next quarter. Officers are engaging with the APPG for Financial Markets and Services' inquiry into financial services and levelling up. Officers from the team, alongside Corporate Affairs and IG's Head of Regions Andrew McGowan met with representatives of consultancy Public First and UK Finance who are taking forward the project. The Office will provide written evidence to the inquiry's call for evidence, and hopes to contribute through other engagement, such as an expected series of roundtables with the financial services sector.
35. The Office will continue to facilitate meetings between representatives of the Socio-Economic Diversity Taskforce and parliamentarians, with a number of meetings agreed in principle awaiting diary availability. In January, Catherine McGuinness met Rt Hon Caroline Nokes MP, the Chair of the Women and Equalities Committee, alongside Sandra Wallace, Joint Managing Director for UK and Europe at DLA Piper and former Chair of the Social Mobility Commission. The meeting provided a helpful opportunity to discuss the work of the Taskforce and engagement with Government regarding social mobility. A meeting with the Rt Hon Stephen Timms MP was held in May, again alongside Ms Wallace and Kay Forsyth, Partner in Financial Services at Deloitte. The discussion considered methods of measuring socio-economic diversity and the

role targets could play in encouraging greater socio-economic diversity in financial services.

36. The meeting with Mr Timms also provided an opportunity to update him on City Corporation engagement on trade in Switzerland, further to a meeting held in December 2021. With the assistance of IG's Global Trade Policy team, the Policy Chair updated Timms, who is the UK's Trade Envoy to Switzerland and Lichtenstein on her visit to the country and the recent UK-Switzerland mutual cooperation agreement
37. The Office has collaborated closely with the Global Trade Policy team in producing written evidence to a number of parliamentary committee inquiries focusing on trade agreements. Evidence has been submitted to the Commons International Trade Committee's inquiries in the UK's trade agreements with Australia and New Zealand, as well as wider inquiries into the international trade in environmental services, and trade and foreign policy. In the Upper House, submissions have been made to the Lords International Agreements Committee on the UK's Digital Economy Agreement with Singapore, and Free Trade Agreement with Australia.
38. On 8 June, the APPG on ESG will hear from Nick Bonsall, Chair of the IRSG ESG ratings workstream and a Partner at Slaughter & May, and Peter Beardshaw, Managing Director at Accenture and their European & UK Sustainability Services Lead, at a meeting discussing the findings of the IRSG's report *ESG Ratings and ESG Data in Financial Services – A view from practitioners*. The event has been facilitated by the Office and will take place in a hybrid format from Westminster. The session will provide an opportunity to promote the report to parliamentarians with an interest in ESG, as well as wider sector stakeholders. Other amplification of IRSG work includes dissemination of the report *The Future of International Data Transfers* to relevant committees and all party groups.
39. Further work on ESG includes engagement with the Conservative Environment Network on their new finance workstream. Preliminary discussions are being held at officer level regarding engagement with the group's parliamentary caucus. Discussions are being taken forward in collaboration with the Corporate Affairs team. To ensure balance, approaches to similar party-affiliated environmental groups will be made should an engagement come to fruition.
40. The Office supported the Policy Chair in giving remarks to a "Bankers for Net Zero" reception in Parliament. At the launch of GFANZ (Glasgow Financial Alliance for Net Zero), Bankers for Net Zero was announced to lead the UK Country Chapter of the UN Convened Net Zero Banking Alliance (NZBA). An officer from the Parliamentary Team attended alongside the Policy Chair and Head of Innovation Simon Burns. The event was a helpful opportunity to engage with parliamentary and sector stakeholders, with the Policy Chair speaking alongside Eric Usher, head of the UN Environment Programme Finance Initiative and Chair of the APPG for Financial Markets and Services Bim Afolami MP.

41. Managing Director of the Corporation's Brussels Office, Nick Collier, recently met Rt Hon Sir Oliver Heald QC MP regarding the UK-EU Parliamentary Partnership Assembly, of which Heald is the Co-Chair and leader of the UK delegation. The meeting sought to establish a greater understanding of the role of the Assembly, which was established under the terms of the 2021 UK-EU Trade and Co-operation Agreement as a forum for parliamentarians to exchange views on the implementation and operation of the Agreement. The Parliamentary Partnership Assembly is expected to meet twice a year, once in London and once in either Brussels or Strasbourg, issuing a report following each meeting.
42. The Office supported Mansion House colleagues in preparations for the Lord Mayor speaking at the APPG on Corporate Responsibility in May. The event focused on action to promote social mobility in business, with representatives from the Social Mobility Business Partnership and EY speaking alongside the Lord Mayor. The event, which took place in person at the House of Lords, saw the Lord Mayor reflect on the City of London's role in driving social mobility, and raise awareness of the launch of the Socio-Economic Diversity Taskforce's new membership body ahead of its launch later in the week.
43. The Office will continue to support the Policy Chairman and other City representatives with one-on-one meetings with MPs and Peers. Since the last meeting this has included a catch up meeting with Sir Bob Neill MP, as well as an introductory meeting with former ESG finance professional Louie French MP, who was elected in a by election in December 2021.
44. In March, the then Policy Chair met Matt Hancock MP to discuss developments in the regulation of crypto technology. The meeting served as an opportunity to hear about Mr Hancock's work to promote the UK as a world leader in crypto technology regulation. Supported by IG's Head of FPS Technology Mary Kyle and the Corporate Affairs team, the Policy Chair updated Hancock on the City Corporation's work in this area and the wider FinTech space, including forthcoming IRSG work on Central Bank Digital Currencies. The Policy Chair also shared reflections on her recent trip to the US.
45. Long standing engagement with the Industry and Parliament Trust will continue, following two successful events since the last update. Catherine McGuinness, then Policy Chair, spoke at a parliamentary event on trade in services. MPs, peers and representatives of the sector, heard the City's views on trade, including the sector as an 'enabler' of goods trade, research on the future regulatory framework and about IRSG papers. The session was arranged jointly with the Industry and Parliament Trust and hosted by Adam Afriyie MP, chairman of the Financial Technology All-Party Parliamentary Group and Sally Jones, UK Trade Strategy Partner at EY added her remarks.
46. Commander Clinton Blackburn and PAB chair James Thompson spoke at a parliamentary meeting on tackling economic crime. The meeting, presented in liaison with the Industry and Parliament Trust, heard about City Police activity to combat fraud, including increasing support for regional counter-fraud policing efforts. Guests included politicians and figures from the financial services

industry. Commander Blackburn spoke alongside Vice-President, Financial Crime Solutions at Mastercard, David Divitt. Both meetings generated positive follow-up with politicians.

47. Preparations are underway ahead of the annual Parliamentary Terrace Reception later in the month. The event, which has not been held since 2019 due to COVID-19 restrictions, will provide an opportunity for parliamentarians to engage with City and business representatives.
48. The Office monitored the public hearings on proposed changes to parliamentary constituencies held in London by the Boundary Commission and submitted a supplementary response to the Boundary Commission's review of parliamentary constituencies. The response made comments on submissions relating to the City's proposed new constituency that were received in the first-round consultation. The Boundary Commission is expected to publish revised proposals later in the year, at which point the City Corporation will have a further opportunity to comment.
49. With regard to non-parliamentary monitoring, the Office supported the Town Clerk's office in providing briefings on the evidence heard by the Grenfell Tower Inquiry by witnesses from the Royal Borough of Kensington and Chelsea and others, ahead of the Town Clerk giving evidence to the Inquiry.
50. The Office will seek to amend the Levelling Up and Regeneration Bill so as to repeal Section 618 of the Housing Act 1985, which disqualifies City Corporation members who live in Common Council owned properties from voting on housing matters. Previous engagement on this matter, including a written question to Ministers, suggested awaiting the publication of the Government's response to the Committee on Standards in Public Life's review of Local Government Ethical Standards. The response was published in March 2022, and while it did make a number of recommendations relating to disclosable pecuniary interests, it did not comment on the specific provisions of Section 618.

Appendices

- Appendix 1 – Queen's Speech 2022

William Stark

Parliamentary Engagement Officer

T: 07522216802

E: william.stark@cityoflondon.gov.uk