

Committee(s): Communications and Corporate Affairs (Policy & Resources) Committee – For information	Dated: 31/10/2022
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 Discussion
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 in June 2022.

Recommendation(s)

Members are recommended to note the report.

Main Report

Legislative Programme Update

1. Following the change of prime minister, the future of a number of Bills announced in the late Queen’s Speech (delivered by the then Prince of Wales) in May 2022 are yet to be determined. The future of some legislation came under scrutiny in this summer’s Conservative leadership competition (Online Safety Bill), and the Government dropped parts of proposed legislation following opposition in the House of Lords (Schools Bill). Some legislation was dropped by the new government (Bill of Rights Bill) and the progress of others is more dependent on international negotiations (Northern Ireland Protocol Bill).
2. **Financial Services and Markets Bill** - The Second Reading of the Financial Services and Markets Bill - on the first full day of the Prime Minister’s term of office - was the most notable legislative step since the last Parliamentary Update. The Bill was endorsed by two of its progenitors, former Chancellor Rishi Sunak and former City Minister John Glen, and was “broadly” supported by the Labour frontbench and Treasury Committee Chair. The SNP chose to oppose the Bill on the grounds it would support “damaging totally unnecessary

divergence” from EU financial services regulation, though welcomed provisions relating to digital settlement assets, cryptocurrencies and access to cash. In collaboration with sectoral representatives, the Office has been briefing politicians on industry views. Activity will continue throughout the Bill’s passage through Parliament.

3. **Online Safety Bill** – The future of the Online Safety Bill came under scrutiny during the summer’s Conservative leadership competition, with candidate Kemi Badenoch questioning the Bill’s provisions to tackle “harmful but legal” online content and possible implications on freedom of speech. Despite this criticism, Prime Minister Truss confirmed that the Government will “be proceeding with the Online Safety Bill” in her first PMQs. The Bill’s progress, however, remains paused at Report Stage. The provisions to tackle online fraud, the City’s specific interest in the Bill, remain generally uncontroversial. The reappointment of Damian Collins, who chaired a committee scrutinising a draft version of the Bill, as Minister for Tech and the Digital Economy has been regarded a positive sign for the future of the Bill. Officers remain in contact with other financial services and consumer bodies to push for the progress of the Bill, including a letter sent to the Prime Minister, supported by the Corporation and the Police Authority Board.
4. **Economic Crime and Transparency Bill** – The second economic crime Bill introduced by the Government since the Russian invasion of Ukraine, the Bill introduces a number of measures, including reforms to Companies House, measures to prevent the abuse of limited partnerships, new powers on intelligence gathering powers and seizure and recovery of suspected criminal cryptoassets for law enforcement, and implements reforms to give businesses more confidence to share information in order to tackle money laundering and other economic crime. The City Police have welcomed these measures, with a briefing issued to select parliamentarians at Second Reading. The Bill awaits a date for its Public Bill Committee, where a written submission will be made.
5. **Data Protection and Digital Information Bill** – The Bill seeks to reform the current UK data protection framework intending to “seize the opportunities of Brexit” and reduce the burdens on organisations while seeking to maintain “high data protection standards”. Officers are currently consulting Corporation departments about the direct implications of the Bill, including City Solicitor in respect of application of the Bill to the Corporation as a data controller and processor, Electoral Services on the provisions relating to democratic engagement, IG on provisions relating to international digital trade, and the City Police on law enforcement data implications. The Bill’s progress was paused at the formation of the Truss government to give Ministers further time to consider its provisions. No new date for Second Reading has yet been announced.
6. **Levelling-up and Regeneration Bill** – The Bill has a number of direct implications for service departments at the Corporation, such as changes to collection and use of planning data. There is also a wider policy interest in the levelling up agenda and implications for London. Reports on direct implications for the City Corporation have been submitted to relevant City of London committees and subcommittees. Briefings have been issued to

Parliamentarians and London Assembly Members on the Bill, reflecting Corporation messaging on the levelling up agenda.

7. The Bill is also being used as a vehicle for a City Corporation backed amendment, repealing subsections 3 and 4 of Section 618 of the Housing Act 1985, which disqualifies City Corporation members who live in Common Council owned properties from voting on housing matters. The City's MP, Nickie Aiken, is due to table the amendment for Report stage, which is expected to take place soon but has not yet been scheduled.
8. **Northern Ireland Protocol Bill** – The Northern Ireland Protocol Bill seeks to address the political challenges and practical problems that the Government argues have been created by the Northern Ireland Protocol. It is intended to fix specific problems in four areas – “customs and sanitary and phytosanitary; a dual regulatory model; subsidy control and VAT; and governance” – while respecting the EU Single Market. The Government has said its preferred outcome is for a negotiated solution with the EU, and the Bill has faced significant opposition in both Houses, including from the Government's own benches. It is due to start its Committee Stage in the Lords later this month.
9. **Procurement Bill** – The Bill is intended to make public procurement more accessible for new entrants, enabling them to compete for public contracts. It retains the core of the EU procurement regime, but provides for greater flexibility in relation to bids from SMEs and social enterprises. Drafting aspects in respect to the City are currently being considered.
10. **Public Order Bill** – The Bill establishes new criminal offences of “locking-on and going equipped to lock-on”, to criminalise the protest tactic of individuals intentionally attaching themselves to others, objects, or buildings to cause serious disruption. It will also introduce Serious Disruption Prevention Orders, a new preventative court order targeting protestors who repeatedly inflict disruption on the public. The new offences are of interest to the City of London Police, given the prevalence of protests within the Square Mile. The Bill has been reported to the Police Authority Board and the Board will continue to receive updates on its progress.
11. **Retained EU Law (Revocation and Reform) Bill** – Under the Bill, retained EU law (REUL) will expire on 31st December 2023, unless otherwise preserved and assimilated into domestic law. The Bill ends the supremacy of retained direct EU legislation over domestic UK legislation passed prior to the end of the Transition Period. Government departments will determine which REUL may expire, and which should be reformed or preserved and incorporated into domestic law in modified form. The extent of the powers sought to legislate ministerially by statutory instrument and the absence of consultation mechanisms will make the bill controversial, particularly in the Lords. The Bill will also seek to provide domestic courts with greater discretion to depart from the body of retained case law. The Bill will be actively monitored to ensure the Corporation is fully briefed on its implications for the rule of law and the functioning of the UK-EU relationship.

12. **Schools Bill** - The Government removed substantial parts of the Bill following widespread opposition in the Lords to provisions related to academic standards and intervention powers. The Bill as introduced would have enabled the Secretary of State to make regulations to set standards to which academy trusts must adhere to in a wide range area including the welfare, health and wellbeing of pupils, the nature of education and careers guidance provided, complaints policies and the suitability of staff and leadership. The Secretary of State would have also been enabled to issue compliance directions to make academy proprietors to take specific actions, appoint additional directors to academy boards, and to terminate academy agreements. Current indications are that the Bill is being dropped.
13. **Animal Welfare (Kept Animals) Bill** – Following its carry-over from the last Parliamentary Session, the Bill was scheduled for Report stage in September. This debate was postponed at the formation of the Truss government and a new date for Report has not yet been announced. The Bill seeks to address the issue of illegal puppy imports by enabling the government to apply restrictions through secondary legislation to imports of certain pet animals on welfare grounds. The Bill also decreases the number of pets that can travel in a single non-commercial movement. These provisions are relevant to Corporation's operation of the Heathrow Animal Reception Centre and officers from the Environment Department are being kept up to date on the Bill's progress.
14. **Bill of Rights Bill** – The Bill's Second Reading, scheduled for September, was cancelled by the Truss government. Progress on the Bill has been suspended pending Government review. The Bill seeks to deliver on the Conservatives' 2019 manifesto commitment to update the Human Rights Act, by repealing and replacing it with a 'Bill of Rights'. The Bill provides that the courts of England and Wales need not follow Strasbourg case law and may not interpret rights in a more expansive manner than the Strasbourg Court. The provisions of the Bill were the subject of controversy and if the Bill returns it will be in an amended form.
15. **Social Housing (Regulation) Bill** –The Bill reforms the regulatory regime for social housing landlords on consumer issues such as safety, transparency and tenant engagement, with new enforcement powers. Through the Bill, the Government seeks to “drive significant change in landlord behaviour to focus on the needs of their tenants and ensure landlords are held to account for their performance.” The Bill applies to the Corporation in its exercise of the functions and duties of a local authority which is a provider of social housing. It will be reported to the Children and Community Services Committee.
16. Other legislation of note includes the **Trade (Australia and New Zealand) Bill**, which proposes technical changes to government procurement regimes to enable the implementation of free trade agreements made with Australia and New Zealand. A briefing on the services provisions of these agreements was issued at Second Reading. The delayed **Higher Education (Freedom of Speech) Bill** continues under its fifth Secretary of State for Education and is due to enter committee on 31 October. Following consultation with the Guildhall

School of Music & Drama, the Bill will be monitored but no proactive engagement made.

GLA and the Devolved Institutions

17. Written evidence was submitted to the London Assembly's Oversight Committee as part of their inquiry into London and Levelling Up. The submission sought to stress that London had a role to play in the wider levelling up agenda but – like elsewhere in the country – also had challenges to be addressed as part of the initiative.
18. Following the tabling of a written question to the Mayor of London on support for financial services by London Assembly Member Neil Garratt (Con), the Office sent him a written briefing including the recent State of the Sector report.
19. The Office arranged and participated in the Freedom Ceremony and lunch for Caroline Pidgeon, the long-serving Liberal Democrat Assembly Member.
20. The Office supported the Policy Chairman in an introductory meeting with Green Assembly Member Sian Berry. The meeting was used to outline the Policy Chairman's priorities, including the Destination City initiative.

Party Conferences

21. To report on activities across the Party Conferences, representatives of the Office attended Labour, Conservative and SNP conferences to monitor, report and engage on a wide range of events on topics of interest to the Corporation. The Liberal Democrat Conference was cancelled owing to the period of national mourning following the death of the late Queen. The conferences provided an opportunity to connect (and reconnect) with parliamentary stakeholders, as well as provide an insight into the views of party members, councillors, assembly members and parliamentarians through monitoring of fringe events. Notes on the conferences, produced in collaboration with Corporate Affairs, were sent to members of the subcommittee shortly after their conclusion and are available upon request.

Quarterly Forward Look

22. Engagement on the Financial Services and Markets Bill will be a priority for the Parliamentary Team over the next quarter. Significant engagement has already taken place ahead of the Bill's Second Reading and will continue as the Bill enters Public Bill Committee. This includes the submission of written evidence, engagement with the Bill Committee Clerks, as well as detailed monitoring of consideration of Bill, including additional scrutiny through the Treasury Select Committee. Bilateral meetings with parliamentarians interested in financial services are being sought. Wider messaging on the contribution of financial services and FPS sector asks, including highlighting the 'State of the Sector' report published by IG, will be promoted outside the Bill, such as a briefing issued to Peers in October ahead of a general debate on the economy.

23. Alongside colleagues from the Corporate Affairs and Media teams, the Parliamentary Team will monitor the Chancellor's Medium Term Fiscal Plan, due to take place on the 31 October, as well as any further announcements regarding the "package of regulatory reforms" for financial services announced by the Chancellor in his "Growth Plan" statement. Further details were promised "later in the autumn."
24. Work is being undertaken to promote the work of the City of London Police as national lead force for fraud. In addition to ongoing engagement on the Online Safety Bill, a submission of written evidence is being made to the Home Affairs Committee's inquiry into policing priorities, as well as monitoring of ongoing activity by a Lords Committee investigating the Fraud Act 2006 and Digital Fraud. The Office assisted the City Police in giving evidence to the Lords Committee in June, with Assistant Commissioner Pete O'Doherty fielding questions from the Committee. Contact has been made with the special advisor to the new Security Minister, Tom Tugendhat, with a view to a meeting with the minister in due course. The Office is also in close contact with the APPG Fair Business Banking and APPG Anti-Corruption and Responsible Tax following the publication of their Economic Crime Manifesto.
25. Earlier this month, the Justice Select Committee published its findings following an inquiry into fraud and the justice system. The Office provided written evidence to the inquiry and facilitated oral evidence given by T/Commander Clinton Blackburn in February. The Committee found that the level of focus from policing is inadequate to deal with the scale, complexity and evolving nature of fraud. It was recommended that fraud should be made a Strategic Policing Requirement to focus effort and resources on combatting this crime type, and that greater resource should be given to police forces to tackle fraud. The findings also made a large number of recommendations regarding Action Fraud. The Government's plans to replace Action Fraud with a new service in 2024 were welcomed however current reforms are focused on the technology underpinning the service, and other changes need to be made to bring about improvements in the victim's experience of reporting a fraud crime.
26. The Parliamentary Team is working with IG's Global Trade Policy team and other FPS bodies including TCUK on the promotion of international trade in services. A round table with Crawford Falconer has taken place and approaches are being made to Shadow Secretary of State for International Trade, Nick Thomas-Symonds, and Chair of the International Trade Committee, Angus Brendan MacNeil. Other methods of engagement are under consideration, such as through the Board of Trade and All-Party Groups. Wider amplification of the international trade in services was made ahead of the Second Reading of the Trade (Australia and New Zealand) Bill. Work on a discrete project to promote trade in services between the UK and Switzerland is underway to coincide with the Government's International Trade Week.
27. The Parliamentary Team will continue its work with the protocol and events side of the Remembrancer's Office on the forthcoming State Visit and civic events such as the Lord Mayor's Banquet, as it did in receiving political guests at the

reception to celebrate the late Queen's Platinum Jubilee, as well as providing support following the activation of Operation London Bridge following the demise of the Crown.

28. It is expected that the APPG on Financial Markets and Services' report into the role of financial services in levelling up will shortly be published. The Office, alongside Head of UK Regions Andrew McGowan and the Corporate Affairs team, have engaged closely with UK Finance and consultancy Public First which are taking forward the report. Written evidence, highlighting the UK-wide contribution of financial services and the wider benefits of a strong and prosperous London, has been submitted.
29. The Office is in discussion with IG's Interim Head of Skills about future engagement for the Socio-Economic Diversity Taskforce and membership body progress together. With Prime Minister Truss having held the equalities brief while Foreign Secretary, the response of the Government to proposals made by the taskforce is currently being assessed.
30. Opportunities for further engagement with the APPG on ESG will be explored following a successful IRSG-led event arranged by the office in June. Chair Alexander Stafford MP and other ESG industry figures heard 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, discussing the findings of the IRSG's report *ESG Ratings and ESG Data in Financial Services – A view from practitioners*. Furthermore, in September, co-chair of the IRSG's taxonomy workstream and Head of EU Government Relations and Public Policy at Invesco, Elizabeth Gillam, gave oral evidence as part of the APPG's call for evidence on the UK Green Taxonomy. Opportunities for further engagement with the APPG's inquiry will be explored. Other work relating to green finance includes a submission to the Environmental Audit Committee's call for evidence on Net Zero and the Financial Sector.
31. Political developments relevant to crypto-assets will also be monitored in light of provisions in the Financial Services and Markets Bill on the regulation of stablecoins. Recent parliamentary activity in this space includes a Lords Economic Affairs committee report on Central Bank Digital Currencies (CBDCs), which argued that there was not a convincing case for a UK retail CBDC. City engagement on crypto-assets includes a written submission to the Treasury Committee's inquiry into crypto-assets, and a supplementary briefing issued ahead of the Financial Markets and Services Bill on crypto and fintech to MPs with an expressed interest in this area.
32. The Office will continue to collaborate with Brussels Office on the UK-EU relationship. Written evidence was provided to the Lords European Affairs Committee on the UK-EU relationship in financial services, with a further submission to the committee being prepared on other aspects of the relationship, including the cultural sector. Written evidence was also provided to the European Scrutiny Committee's inquiries into regulating after Brexit and the UK's EU representation. Engagement with the UK-EU Parliamentary

Partnership Assembly will also continue, following meetings between Managing Director of the Corporation's Brussels Office, Nick Collier, and leaders of the UK and EU delegations.

33. Parliamentary engagement in collaboration with the Industry and Parliament Trust includes with the City Police on tackling fraud, construction skills, commercial diplomacy and reinvigorating cities. The Lord Mayor and the Policy Chairman will have opportunities to present the City's work in these areas.
34. The Office has secured a date for the 2023 Parliamentary Terrace reception, having delivered a successful reception in June 2022. The reception was the first held since 2019 due to the pandemic and was an opportunity for members to engage with parliamentarians, particularly with those elected in the December 2019 general election.
35. Planning is underway to arrange a reception for parliamentary staffers at a City Corporation venue. The reception is intended to provide an opportunity to connect with parliamentary staff and highlight the work of the City Corporation
36. The Office will continue to support the Chamberlain's Court in the arrangement of ceremonies for political figures nominated for the Freedom. The Office has recently supported freedom ceremonies for former City Minister John Glen and Liberal Democrat Assembly Member Caroline Pidgeon. Ceremonies for Shadow Business Secretary Johnathan Reynolds and long serving Labour MP Barry Sheerman are also planned for coming weeks.
37. Close engagement with the City's MP, Nickie Aiken, will continue. Ms Aiken recently visited the Guildhall Art Gallery to view the William Charter, and was greeted by Nicola Avery, Principal Archivist, Collections at the London Metropolitan Archives. Engagement is also ongoing with Ms Aiken through City events and meetings with the Policy Chairman.
38. Further impetus will be given to promoting Destination City, with the Office working with colleagues in Town Clerks to identify local political stakeholders for promotion of "The Golden Key"
39. The Office had previously 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 on 8th November at which point the City Corporation will have a further four-week window in which to make representations.
40. As noted above the Office will seek to amend the Levelling Up and Regeneration Bill at Report Stage so as to repeal Section 618 of the Housing Act 1985, which disqualifies City Corporation members who live in Corporation-owned properties from voting on housing matters.

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