

Committee(s): Communications and Corporate Affairs (Policy & Resources) Committee – For discussion	Dated: 12/12/2022
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 on 31 October 2022.

Recommendation(s)

Members are recommended to note the report.

Main Report

Legislative Programme Update

1. Since coming to power, Prime Minister Sunak has generally progressed the legislative agenda of his predecessor but one, Boris Johnson. The reappointment of a number of Johnson’s cabinet, such as Justice Secretary and Lord Chancellor Dominic Raab and Levelling Up Secretary Michael Gove, has lessened speculation of an overhaul to the Government’s agenda indicated during the brief premiership of Liz Truss. For example, it has now been confirmed that the passage of the Online Safety Bill will resume and the reappointment of Raab has raised the prospect of the revival of the Bill of Rights Bill. The commentary below provides an update on relevant Bills which have been considered before either House since the last update in October. Other Bills in which the City is interested but await further consideration are noted subsequently.
2. **Financial Services and Markets Bill** - The Financial Services and Markets Bill has now completed its committee stage and awaits a date for Report. The return of the Bill’s progenitors, Rishi Sunak and John Glen, to government as

Prime Minister and Chief Secretary to the Treasury respectively means the future of the legislation is secure. City Minister Andrew Griffith wrote to the Treasury Committee in November to confirm that the much-trailed “call-in” or intervention power to enable the Treasury to direct a regulator to make, amend or revoke rules has been dropped. Griffith’s letter noted that the “government is of the view that the existing provisions in the Bill are currently sufficient.” On Second Reading Sunak and Glen, in contributions as backbenchers, hinted at possible future policy directions, namely reforms in prospectus directive regulations regarding capital raising, the European packaged retail and insurance-based investment products directive (PRIIPS), changes to ringfencing rules, and reforms to MiFID as part of the wholesale market review.

3. **Online Safety Bill** – Secretary of State for Digital, Culture, Media and Sport Michelle Donelan confirmed the Government will progress the Online Safety Bill. After a long break, proceedings resumed on 5 December following an announcement that controversial measures regulating “legal but harmful” content online were to be dropped. In their stead, Donelan said a “triple shield” will be introduced to tackle harmful content, where online platforms should remove content that is illegal, should remove content that violates the online platform’s terms of service and will be placed under an obligation to offer users the functionality to control their exposure to content such as legal forms of abuse and hatred. The City’s main interest in the Bill, provisions relating to online scams and fraudulent advertising, remain unchanged given they are illegal content. Given the extensive nature of changes to the Bill, it will be re-committed to a Bill Committee. An additional written ministerial statement from Technology Minister Paul Scully noted that despite the re-committal, the Government recognised “Parliament’s desire” to see the legislation enacted quickly.
4. **Economic Crime and Transparency Bill** – The Bill has progressed through committee stage in the Commons quickly with MPs keen to see the Bill on the statute books soon, given concerns illegal activities by Russian entities in light of the country’s invasion of Ukraine. Notably, Kevin Hollinrake, a prominent backbench voice who has called for the Bill to go further than is currently drafted, has become a junior Business Minister and has responded to debates on the legislation. It is yet to be seen whether further reforms, including a “failure to prevent” economic crime offence for businesses, will be brought forward. Assistant Commissioner Pete O’Doherty of the City of London Police met with Dame Margaret Hodge (Lab), a member of the Bill Committee, in November to discuss economic crime and expressed the City Police’s support for the Bill. The City Police also submitted evidence to the Bill Committee in support of the proposed legislation.
5. **Levelling-up and Regeneration Bill** – The Bill currently stands part way through Report Stage, having held one day of debate in November before the second scheduled day being pulled. Indications are that the second day was rescheduled due to Government fears about backbench rebellion over mandatory housing targets. The Leader of the House has, however, confirmed that the Bill will be progressed. The first day of debate on Report saw consideration of two amendments by the City’s MP Nickie Aiken, one on S.618

of the Housing Act 1985 (detailed below in the *Forward Look*) and a second regarding the abolition of the Vagrancy Act 1824. The Government accepted that new measures would provide a new code on vagrancy, which would not criminalise the behaviour.

6. **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, and encourages contracts with SMEs and social enterprises. Drafting aspects in respect to the City are currently being considered.
7. **Retained EU Law (Revocation and Reform) Bill** – The Bill is currently awaiting a date for Report stage in the House of Commons. It has come under fierce criticism from across the House for its “sunset” provisions, which will automatically revoke any Retained EU Law (REUL) that is not expressly preserved by 31 December 2023. Concerns have been expressed about the capacity of the Civil Service to sufficiently examine all REUL ahead of the deadline, which has been described as “arbitrary.” The Corporation’s evidence to the Public Bill Committee highlighted these timescale concerns, and in particular the potential risks this may pose to the financial services. The Bill is being actively monitored to ensure that the Corporation is fully briefed on its implications for the rule of law and the functioning of the UK-EU relationship.
8. **Bill of Rights Bill** – The Bill’s Second Reading, scheduled for September, was cancelled by the Truss government, however the return of Dominic Raab as Lord Chancellor and Secretary of State for Justice (as well as Deputy Prime Minister) means it is likely the Bill will be revived. Raab told the Justice Committee in November that the Bill is one of his “legislative priorities.”
9. **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.
10. **Social Housing (Regulation) Bill** – The Bill, which is currently in Committee, 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.

11. **Counsellors of State Bill** – A Bill to add The Princess Royal and The Earl of Wessex & Forfar as Counsellors of State has made fast progress through both Houses after its introduction in November. The Bill, which followed a message from the King to both Houses that he would be content for such legislation to be brought in, is likely to have been made law before the meeting of this subcommittee.
12. Other legislation making progress since the last report includes the **Northern Ireland Protocol Bill** and the **Higher Education (Freedom of Speech) Bill** which both await Report in the House of Lords.
13. Bills of note which have not made progress since the last update include the **Data Protection and Digital Information Bill**, **Schools Bill**, and **Trade (Australia and New Zealand) Bill**, which has had its Report Stage scheduled for 12 December.

City Corporation Private Legislation

14. Further to the decision of the Court of Common Council, the City of London (Markets) Bill was deposited in Parliament on 28 November. The first substantive Parliamentary proceedings on the Bill will take place in the new year. Ahead of this, the Office will continue with preparation of briefing materials as well as engagement work with parliamentarians in advance of these proceedings. Newspaper notices were published on 30 November.

Forward Look

15. Engagement on the Financial Services and Markets Bill will continue to a priority for the Parliamentary Team. While the scheduling of engagement will be influenced by the timetabling of the Bill, activities will continue apace including seeking bilateral meetings with parliamentarians interested in financial services. 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.
16. A meeting is being sought with the new Chair of the Treasury Committee, Harriett Baldwin, following the vacancy created by the appointment of Mel Stride as Work and Pensions Secretary. Officers have already met with Ms Baldwin's parliamentary office, and the Deputy Policy Chairman attended an APPG for Financial Markets and Services event with Ms Baldwin in October, prior to her election.
17. The Office will provide support with any actions needed further to Assistant Commissioner Pete O'Doherty's oral evidence given to the Public Accounts Committee on 1 December. O'Doherty spoke alongside Matthew Rycroft CBE, Permanent Secretary at the Home Office, Graeme Biggar CBE, Director General at National Crime Agency and Duncan Tessier, Director for Economic Crime at the Home Office. The oral evidence session was prompted by the findings of the National Audit Office report "Progress combatting fraud" which highlighted the "increasing and evolving" nature of fraud but expressed

disappointment with the Home Office that the “number of frauds resulting in a charge or summons is falling” and questioned the department’s understanding of the extent of fraud and the resources committed to tackling the problem.

18. Other forthcoming engagement regarding economic crime includes a meeting with Liberal Democrat Sarah Olney MP, following written parliamentary questions regarding the performance of Action Fraud. The Office reached out to Ms Olney to offer a meeting with the Chair of the Police Authority Board, with a mutually convenient time currently being sought.
19. Officers are in discussion with the APPG on Sustainable Finance regarding City Corporation involvement with the launch of a guide to sustainable finance for MPs in January.
20. Opportunities are being explored to promote the work of the Guildhall School of Music and Drama and the Barbican Centre to parliamentarians. While work remains at a very early stage, contact is being made with relevant officers regarding a visit by a delegation of parliamentarians.
21. 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. Initial approaches to the APPG for Social Mobility have been unable to progress due to the resignation of the APPG’s chair.
22. The Office will continue to amplify City Corporation and IRSG work on crypto technologies, following IG’s Head of Regulatory Affairs Gordon Mead appearing before the Crypto and Digital Assets APPG in late November. This builds on recent evidence submitted to the Treasury Committee and briefing issued to parliamentarians alongside the Financial Services and Markets Bill.
23. 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.
24. The Office has submitted a response to the Boundary Commission supporting the revised proposals published in November, which maintained the constituency link between the Cities of London and Westminster. The decision of the Boundary Commission is to be welcomed, following the submission of representations at the first and second round of consultation on the initial proposals in favour of maintaining the link. Following this final round of consultation, the outcome will be announced in June 2023.
25. The Office will continue to pursue the repeal Section 618 of the Housing Act 1985, which disqualifies City Corporation members who live in Corporation-owned properties from voting on housing matters. Nickie Aiken MP tabled an amendment to the Levelling-up and Regeneration Bill seeking a repeal. Responding, Minister Dehenna Davison said she did “not want to make a commitment today” but was keen to work with Ms Aiken “to understand the issue of local voting rights in her constituency more fully” and “would love to get

a meeting in with her in due course.” The Office is in contact with Ms Aiken and her team to provide any support necessary ahead of the meeting.

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