

Committee(s): Communications and Corporate Affairs (Policy & Resources) Committee – For information	Dated: 19/04/2023
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
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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 14 February 2023.

Recommendation(s)

Members are recommended to note the report.

Main Report

Legislative Programme Update

- Both Houses are suffering from a bout of legislative congestion, with several major Bills making slow progress. Large, complex Bills such as the **Levelling-up and Regeneration Bill** and the **Financial Services and Markets Bill** have seen additional sittings scheduled during their committee stages in the Lords, where there are fewer rules restricting the length of debates than in the Commons. The congestion is further compounded by periods of recess over the spring for Easter, May Day and the Coronation of King Charles III. The Government has indicated, however, that there may be life in the parliamentary session yet with the First Reading of a new version of their Bill to reform GDPR, the **Data Protection and Digital Information (No. 2) Bill**. However, the tabling of a carry-over motion, allowing the Bill to be considered in the next parliamentary session, gives an indication it will not be passed before The King's Speech. The commentary below provides an update on relevant Bills which have been considered before either House since the last update in December. Other Bills in which the City is interested but await further consideration are noted subsequently.

2. **Financial Services and Markets Bill** - The Bill has finally completed Committee stage in the House of Lords, having begun in January. Committee stage saw repeated attempts by peers on all sides, most prominently by former DExEU Minister Lord Bridges of Headley (Con), to introduce greater scrutiny of financial services regulators. In Bridges' case this was through the introduction of an 'Office for Financial Regulatory Accountability'. All such moves were successfully resisted by the Government. It remains open to Bridges and others to make a further attempt at the next Lords stage, Report, but the Bill's ultimate passage to the Statute Book is unlikely to be impeded. Attention will shortly turn towards the implementation of the Bill's provisions through statutory instruments once completes its parliamentary stages.
3. **Economic Crime and Transparency Bill** – The Bill is currently in Committee in the House of Lords. Despite assurances that measures will be brought forward to address the need for a “failure to prevent” economic crime offence for businesses, this has yet to materialise at the time of writing. However, this may be attributed to procedural considerations, rather than a change of policy.
4. **Levelling-up and Regeneration Bill** – The Bill continues its progress through the Lords and is due to complete its ten days of Committee in mid-April. Provisions in the Bill with specific implications for the Corporation include changes to collection and use of planning data and provisions for the making of local plans. Progress has been slow with two additional days added onto the original allocation of eight to cover the wide range of local and regional government issues peers from all parties have sought to insert into the Bill. Despite the Bill's short title, it should be noted that much of the Government's “levelling up agenda” falls outside the scope of the Bill, and instead much of the discussion has focused on new powers for regional government including the new Combined County Authorities. However, Peers have also taken the opportunity to amend powers for existing regional bodies including an unsuccessful proposal from Lord Moylan (Con) to give the borough power of co-decision whenever the Mayor of London proposes to extend road user charging schemes such as ULEZ. A probing amendment tabled by Lord Naseby concerning s618 of the Housing Act 1985 is discussed in more detail below. Following the completion of Committee Stage on 20 April, the Bill will move to its final substantive stage in the Lords, the Report stage, sometime in the late Spring and then likely to receive Royal Assent before the Summer.
5. **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. The Bill will also ultimately repeal and replace the vast majority of the **Trade (Australia and New Zealand) Act**, which completed its passage through Parliament in March. The Act implements changes to procurement law to facilitate the coming into force of free trade agreements with Australia and New Zealand.

6. **National Security Bill** – The Bill, which replaces existing counter-espionage laws with a framework for countering hostile state activity, faced resistance regarding provisions introducing a foreign influence registration scheme (FIRS) and the potential impacts of this on business. Government amendments introduced in the Lords to place a new requirement for the registration with the Home Office on a public register of any “political influence activities” by or on behalf of a “foreign principal” came as a surprise to many in the financial and professional services sector. Following engagement between the Home Office and sector representatives, the Government brought forward amendments at Report stage to reduce the scope of the scheme. The Home Office minister, Lord Sharpe of Epsom (Con), explained that the amended approach to FIRS is to “...clarify the intent of the enhanced tier” of the scheme “...to ensure the tier remains proportionate, while achieving its national security objectives.” He confirmed that “...the enhanced tier of FIRS is a targeted regime, allowing the Secretary of State to require the registration of arrangements with specified foreign Governments or entities subject to foreign power control where she believes it is necessary to protect the safety or interests of the United Kingdom”. The amendments, granting the Home Secretary power to make regulations specifying which activities or specified persons are subject to the provisions of the Bill, were then agreed by Peers.
7. **Retained EU Law (Revocation and Reform) Bill** – The Bill is due to begin Report Stage in the Lords on 19 April. It has been facing criticism by peers 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 in both Houses about the capacity of the Civil Service sufficiently to examine or even identify all REUL ahead of the deadline, which has been described as “arbitrary.” The Corporation’s evidence to the Public Bill Committee mirrored many other industry sources in highlighting these timescale concerns, and in particular the potential risks this may pose to business. Such risks include creating an uncertain regulatory landscape, making it harder for businesses to plan ahead and make investment decisions, as well as resource implications and the risk of unintended consequences if regulations fall away in an uncoordinated manner. The Bill is being actively monitored for implications for the rule of law and the functioning of the UK-EU relationship. The Office is in close contact with other financial and professional services bodies, including the Law Society and TheCityUK, on their approach to the technicalities of the Bill.
8. **Public Order Bill** – The Bill is in the process of an extensive round of ping pong which will continue once Parliament returns from Easter recess. This follows Government defeats in the Lords that were then reversed by the Commons. The disagreement arises from MPs’ rejection of peers’ amendments to police stop and search powers proposed in the Bill, and Lords’ subsequent proposal of amendments in lieu. The Bill aims to address the use of new protest tactics by establishing new criminal offences, including those of “locking-on” and “going equipped to lock-on”. These new offences are of interest to the City of London Police, given the history of protests in the Square Mile. The Bill has attracted controversy in both Houses due to its perceived impact on the right to

protest. It has been reported to the Police Authority Board and the Board will continue to receive updates on its progress.

9. **Bill of Rights Bill** – the Lord Chancellor and Secretary of State for Justice Dominic Raab told the Lords Constitution Committee in early March that he looked forward to passing the Bill. Despite his comments, the controversial Bill still awaits a date for Second Reading in the Commons. The introduction on 29 March of the Victims and Prisoners Bill may suggest that the Bill of Rights Bill is likely to be dropped. The Bill of Rights Bill has been criticised by legal professional bodies, and Parliament's Joint Committee on Human Rights has called for the Government not to proceed with it. While the long delay to Second Reading and introduction of the Victims and Prisoners Bill may indicate that the Bill is unlikely to progress, there remains continuing pressure within the Conservative Party to leave the jurisdiction of the European Court of Human Rights.
10. **Electronic Trade Documents Bill** – The Law Commission proposed Bill to reform rules governing certain types of documents used in trade and trade finance is undergoing a special procedure in the House of Lords for Bills of a technical nature. The Bill considers trade documents which function on their ability to be (physically) possessed. Currently, the law does not recognise the possibility of "possessing" electronic documents, with the Bill seeking to update this, and a number of other technical points of trade law. It awaits Second Reading in the Commons.
11. **Data Protection and Digital Information (No. 2) Bill** – This Bill was introduced in the Commons on 8 March and is scheduled for Second Reading on 17 April. It replaces the Data Protection and Digital Information Bill, which was introduced in July last year but made no further progress. There are no fundamental changes in policy approach. The Bill aims to make data protection legislation easier for businesses to navigate by reducing the administrative burden of compliance.
12. **Strikes (Minimum Service Levels) Bill** – The Bill seeks to introduce minimum service levels for certain services during strikes and has made swift progress through both Houses, despite vociferous opposition from Labour on civil liberties grounds. It currently awaits a date for Report stage in the Lords.
13. **Social Housing (Regulation) Bill** – the Bill has completed its progress through the Commons, where several Government amendments were passed. It currently awaits a date for peers' consideration of MPs' amendments.
14. **Online Safety Bill** – A victim of legislative congestion, the Bill has made no progress since the last update, however Committee stage in the Lords has now been scheduled for 25 April.
15. Bills of note which have not made progress since the last update include the Northern Ireland Protocol Bill. The Government has indicated that it will allow the Northern Ireland Protocol Bill to lapse at the end of the session following the agreement of the Windsor Framework by the UK and the EU.

City Corporation Private Legislation

16. The City of London (Markets) Bill received its First Reading in the House of Commons on 30 January and its Second Reading on 6 February without debate. The next stage is Commons Committee Stage: as the London Borough of Havering have lodged a petition objecting to any retail trade at the new site (alleging the new market will be a rival to Romford Market, a market in relation to which it has certain market rights), negotiations are in train. These will either result in an unopposed committee if an agreement can be reached that enables Havering to withdraw the petition or an opposed Bill Committee if not.

Forward Look and Engagement Update

17. Promotion of the City Corporation commissioned *"Finance for Growth: A Roadmap"* will be a priority over coming months. A joint letter to parliamentarians from the Lord Mayor and Policy Chairman received an positive response, with a number of parliamentarians accepting the offer of a meeting, including Treasury Committee Chair Harriett Baldwin, Lords Economic Affairs Committee Chair Lord Bridges, Liberal Democrat Treasury Spokesperson Sarah Olney, and APPG for London as a Global City Chair Gareth Bacon.
18. The joint letter has already facilitated a meeting between the Policy Chairman and Labour's Darren Jones, Chair of the Business, Energy and Industrial Strategy Committee, at a conference on "turning the dial on economic growth". The Policy Chairman also contributed to roundtable discussions on "investment-led growth" as part of the conference. Officers attending the reception also had an opportunity to engage with other members of the committee, including Chair of the Financial Markets and Services APPG Bim Afolami.
19. The Lord Mayor will speak at a breakfast roundtable hosted by the APPG for Financial Markets and Services on the UK's Listing Regime. The event forms part of a series of events on capital markets organised by the APPG, which is administered by UK Finance and part funded by the Corporation. Discussions are ongoing with the APPG's secretariat for a similar event led by the Policy Chairman.
20. Wider engagement with APPGs is being explored, including the opportunity to present the work of socio-economic diversity membership body Progress Together to the APPG on Social Mobility. A planned visit by the APPG for Theatre to the Guildhall School of Music and Drama and the Barbican Centre is still being explored, subject to diary constraints of the APPG Chair and the City's MP, who is an officer of the APPG.
21. The Lord Mayor has also been invited to give evidence to the Treasury Committee on stock listings, as part of its wider inquiries into the Edinburgh Reforms and the venture capital market. The Office will work together with Mansion House and Innovation and Growth on preparations for the session.

22. The Office is collating feedback from February's reception for parliamentary researchers. The first such event since 2011, the reception was an opportunity for researchers from across the House to network and learn more about the work of the Corporation, including remarks from the Vice Chair of the Policy and Resources Committee. Researchers for a number of key targets for engagement attended, including those working for Treasury Ministers and the Shadow Cabinet Members.
23. The City Remembrancer will attend a meeting between Lord Naseby and Earl Howe, Deputy Leader of the House of Lords regarding s618 of the Housing Act 1985, which places an additional restriction on members of the Common Council living in Corporation owned property on voting on housing matters. Lord Naseby tabled an amendment to the Levelling-up and Regeneration Bill proposing the removal of this provision, in line with an earlier amendment proposed in the House of Commons by the City's MP. While unsuccessful, the amendment has secured a meeting between Lord Naseby and the Deputy Leader, with a view to resolving the longstanding issue.
24. The Office hosted a panel discussion and early evening reception on 21 March for the Standing International Forum of Commercial Courts, with senior judges in attendance, as well as leading commercial law practitioners and in-house Counsel from City businesses. The evening was well attended. A welcome was given by Sir Michael Snyder, with closing remarks given by Sir David Wootton. The Corporation has supported SIFoCC and its work from its inception. The Forum supports best practice in commercial dispute resolution around the world, and the Rule of Law. Its current focus includes managing complexity in disputes, technology, cross border conflicts, and the commercial disputes that climate change will bring. SIFoCC boasts a large membership, with the majority of the judiciaries of the G20 nations now members, including India, China, Brazil, Japan and South Korea. The event was extremely well received (with good feedback received): there was good interaction between attendees and the panel as to future areas of focus for SIFoCC.

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