

Committee(s): Communications and Corporate Affairs (Policy & Resources) Committee – For Discussion	Dated: 06/09/2023
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
Report author: William Stark, Senior 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 14th June 2023.

Recommendation(s)

Members are recommended to note the report.

Main Report

Legislative Programme Update

1. Shortly before the summer recess, Leader of the House Penny Mordaunt announced that King Charles’ first King’s Speech will take place on 7th November 2023. This announcement came alongside a glut of legislation which received Royal Assent just before the summer recess, particularly in convincing recalcitrant Peers to allow the **Illegal Migration Act** to pass. Other substantial Bills became Acts in July, including the **Retained EU Law (Revocation and Reform) Act**, the **Strikes (Minimum Service Levels) Act** as well as smaller measures such as the **Electronic Trade Documents Act**. Important for the Corporation and its stakeholders was the passage of the **Financial Services and Markets Act**, further details of which are below and which will be subject to a separate report to the Policy and Resources Committee.
2. However, challenges remain for the Government. Two legislative behemoths, the **Levelling-up and Regeneration Bill** and **Online Safety Bill** remain, with the latter unable to be carried over into another parliamentary session. Furthermore, recently introduced Bills such as the **Renters (Reform) Bill** will

likely need to be carried over and could have impacts on the next legislative agenda. The Government's legislative focus until November will be the mopping up of Bills which are close to completion.

3. **Financial Services and Markets Act** – At Report Stage in the Lords, the Government amended the Bill expanding obligations for regulators to notify the Treasury Committee about consultations and regulatory changes so that other parliamentary committees will also be notified and have an ability to launch inquiries. This move was welcomed as a way to strengthen Parliament's capacity to hold regulators to account. It has been noted that such a change would facilitate - but not mandate - the establishment of a joint committee of both Houses focused on financial services regulation, should it be proposed by both Houses. The Bill became law following Royal Assent on 29th June. A separate report on the Act will be presented to Policy and Resources as well as this committee.
4. **Economic Crime and Transparency Bill** – The Bill is likely to receive Royal Assent shortly after both Houses return from recess, with only “ping-pong” between both Houses remaining. The Commons will accept the Government's amendments made to the Bill in the Lords, including the introduction of a “failure to prevent” offence (noted in the previous report to this Committee) however it will likely strip out a backbench Lords amendment to expand the scope of the offence to smaller businesses. A separate report on the Bill will be made to the Police Authority Board upon Royal Assent.
5. **Online Safety Bill** – The Bill reached a milestone in clearing the House of Lords on the 4 July and will head back to the Commons when it returns from recess, where MPs will consider amendments made in the upper house. While the Bill's provisions relating to fraud and economic crime remain functionally unchanged, the Bill has undergone considerable changes through its passage in the Lords, with tranches of technical government amendments supplemented by a number of backbench amendments opposed by the Government. While the Government usually has no trouble adjusting the Bill to its liking in the Commons, recent claims by prominent encrypted messaging services such as WhatsApp and Signal that the Bill's provisions will undermine end-to-end encryption may make the Bill's passage more challenging for the Government. A separate report on the Bill will be made to the Police Authority Board upon Royal Assent, if reached.
6. **Levelling-up and Regeneration Bill** – The Bill continues its passage through the Lords, but progress has been slow. The Bill has been subjected to an unusually lengthy Report Stage, having sat for three days with a further three days scheduled in September. Before the recess, the Government introduced an amendment to Bill regarding s618 of the Housing Act 1985 (detailed in paragraph 28).
7. **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. Following discussion with the Cabinet Office, the

Government brought forward amendments at Report Stage in the Commons (the Bill's second house) to clarify the scope of the application of the Bill's regime to the activities of the Corporation, ensuring that the regime only applies to the Corporation's functions as a public authority. The Bill is now in its final stages and Royal Assent is anticipated in the Autumn. Procurement Colleagues in the Corporation have been made aware of the effect of these amendments to the Bill.

8. **Retained EU Law (Revocation and Reform) Act** – The Act received Royal Assent on 29 June. The Act revokes certain specified pieces of Retained EU Law (REUL) at the end of 2023 and grants the Secretary of State powers to restate, revoke, replace or update REUL until 23rd June 2026. It places a duty on the Secretary of State to regularly update the Government's REUL Dashboard and publish reports on the revocation and reform of REUL. The Act also abolishes the principle of the supremacy of EU law and other general principles of EU law and facilitates domestic courts to depart from retained case law.
9. **Data Protection and Digital Information (No. 2) Bill** – The Bill is awaiting a date for Report Stage in the House of Commons. It has replaced 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. The Opposition has stated that it supports the aims of the Bill but argues that the Government could do more to harness “the potential of data to grow our economy.”
10. **Social Housing (Regulation) Act** – The Act received Royal Assent on 20th July. It facilitates a new approach to regulating social housing landlords on consumer issues such as safety, transparency and tenant engagement, with new enforcement powers. The Act applies to the Corporation in its exercise of the functions and duties of a local authority and a local housing authority which is a provider of social housing. It will be the subject of a separate report to the Children and Community Services Committee.
11. **Digital Markets, Competition and Consumers Bill** – The Bill awaits Report Stage in the Commons and is likely to be carried over. Alongside consumer provisions, the Bill largely relates to new powers for the Competition and Markets Authority to prevent large digital firms from capitalising on their size to limit digital innovation or increase barriers to entry. The Bill does not directly impact financial services however is of wider policy interest given steps by “Big Tech” firms to enter the financial services space. The Bill also has limited direct implications for the Corporation, regarding enforcement powers to local weights and measures authorities.
12. **Energy Bill** – The Bill makes provision about energy production and security, including the regulation of heat networks and the establishment of heat network zones. This is particularly relevant to the Corporation as, according to the 2021 Census, the highest proportion of households with district or communal heating

as their only source of central heating was in inner London, with rates of 19% in the City of London. In collaboration with officers in the Energy team of City Surveyors, the Remembrancer's Office submitted written evidence to the House of Commons Public Bill Committee in June. The Bill continues its progress through the Commons, with Report Stage scheduled for 5th September.

13. **Lifelong Learning (Higher Education Fee Limits) Bill** - A technical Bill to support the implementation of the Government's Lifelong Loan Entitlement skills policy awaits Report Stage in the Lords, having already passed through the Commons. An uncontroversial and technical measure, it is likely to receive Royal Assent before the King's Speech.
14. **Victims and Prisoners Bill** - The Victims and Prisoners Bill has completed its Committee Stage in the Commons and awaits a date for Report. The Office is engaging with the Ministry of Justice over the potential impact of the Bill on the City Police in its capacity as National Lead Force.
15. The Commons Home Affairs Committee published its findings following its pre-legislative scrutiny of the **draft Terrorism (Protection of Premises) Bill**. The report concludes that the draft Bill, as it currently stands, would place a significant and disproportionate burden on smaller venues while failing adequately to ensure safety measures at all public events at risk of terror attacks. The Committee supports measures in the Bill that would improve the response to terror attacks in larger venues. It calls on the Government to introduce the legislation in stages, beginning with these larger venues, and review its implementation annually to assess its impact. It should carry out further research to better assess whether the threat to small businesses and venues is sufficient to require them to undertake anti-terrorism measures. Outdoor events continue to be at heightened risk of terror attacks and the Government should also ensure that they are covered by the legislation, the Committee concludes.
16. Bills which have received Royal Assent since the last update include the **Strikes (Minimum Service Levels) Act** (reported to the Corporate Services Committee), the **Illegal Migration Act** (flagged to Children and Community Services officers as regards Local Authority impacts and reported to Children and Community Services Committee), the **Electronic Trade Documents Act**, the **Supported Housing (Regulatory Oversight) Act** (flagged to Children and Community Services as regards any supported housing in the City) and the **National Security Act** (which will be reported to the Policy and Resources Committee and the Police Authority Board). Three Private Members' Bills that collectively make some enhancements to employee rights have also received Royal Assent: the **Neonatal Care (Leave and Pay) Act**, the **Protection from Redundancy (Pregnancy and Family Leave) Act** and the **Employee Relations (Flexible Working) Act**. The Acts have been raised with the Corporation's HR Team and the implications of these Acts for the Corporation as an employer will be reported to the Corporate Services Committee this month.

City Corporation Private Legislation

17. The **City of London (Markets) Bill** received its First Reading in the House of Commons on 30th January and its Second Reading on 6th February without debate. The next stage is Commons Committee Stage. The London Borough of Havering has 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), and negotiations are still 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 committee if not.

Forward Look and Engagement Update

18. Both Houses returned from Summer Recess on 4th September but will rise again on 19th and 21st September (Commons and Lords, respectively) for the conference recess until 16 October. As is usual, there will also be a short break in sitting days in preparation for the King's Speech on 7th November.
19. Promotion of the report produced by the City's *Finance for Growth* initiative is the immediate priority on the House's return from recess. The Policy Chairman will speak at an event arranged by the cross-party Industry and Parliament Trust on a theme from the report, and a wider letter-writing campaign to parliamentarians will raise awareness of the report's publication. Over the summer recess, the Office approached the Treasury Committee and Business and Trade Committee offering a briefing to committee members on the report's findings. Officers have also contacted the All-Party Groups on Financial Markets and Services and London as a Global City to explore other promotional opportunities. Given the report's intention to provide a long-term vision for the financial services sector, promotion will continue well beyond the period immediately following the report's launch.
20. Prior to the summer, the Office supported the launch of the latest State of the Sector report at the Financial and Professional Services dinner, liaising with Mansion House colleagues regarding political attendees and raising awareness of the publication amongst parliamentarians. All members of the Treasury Committee were invited, with Chair Harriett Baldwin attending. Follow-up letters to the Treasury Committee and Lords Economic Affairs Committees were acknowledged.
21. The Corporation's Policy and Innovation Director Kerstin Mathias will give evidence to the Conservative European Forum as part of their work analysing the UK-EU Trade and Cooperation Agreement ahead of its review in 2026. The Office is coordinating briefing materials in collaboration with IG and will provide political intelligence ahead of the session.
22. Longstanding engagement with the Industry and Parliament Trust continues. In addition to the Policy Chairman-led event on a *Finance for Growth* theme, the Lord Mayor will speak at a breakfast event on the theme of "Reforming

Pensions to Drive Economic Growth.” The Lord Mayor will speak alongside Peter Branner, Chief Investment Officer at Abrdn, with the session led by Labour MP and Chair of the Work and Pensions Committee, Sir Stephen Timms.

23. In early July, the Lord Mayor spoke at roundtable discussion held by the All Party Parliamentary Group for Sovereign Wealth Funds, setting out his ambitions for pension fund reforms and reflecting on the group's proposals for a UK sovereign wealth fund. The event was attended by a cross-party group of MPs and Peers and chaired by former Lord Chancellor Sir Brandon Lewis. The discussion was a helpful opportunity to explore alternative sources of funding and scale up capital for UK businesses. The Lord Mayor was joined by Sheriff King, who facilitated the event.
24. Representatives from the Office will attend elements of the Liberal Democrat, Conservative, Labour and SNP party conferences, providing coverage of party fringe events and supporting the Corporate Affairs team with the delivery of Corporation events.
25. Considerable work is being undertaken to develop robust messaging defending the City of London Police’s role as national lead force for fraud. A recent report from the influential Tony Blair Institute recommended the discontinuation of the two national lead forces (the City Police for fraud, the Metropolitan Police for counter-terrorism). The Office is in close consultation with the Police Authority team, the City Police, and Corporate Affairs team regarding the development of this messaging.
26. Such messaging will be deployed at a private evidence session of the Home Affairs Committee looking at fraud and economic crime. Service Delivery Director Chris Bell and DCS Matthew Bradford of the City of London Police will give evidence alongside representatives from the National Crime Agency, setting out the current state of play and challenges in the policing of economic crime. The evidence session is likely to be a precursor to an inquiry by the Committee on an aspect of economic crime. The Office will also support other parliamentary engagement regarding economic crime, including with the Prime Minister’s Anti-Fraud Champion (and former chief executive of the British Bankers’ Association) Anthony Browne MP.
27. In June, the Boundary Commission for England published its final report into parliamentary constituency boundaries, completing a review process initiated by the Parliamentary Constituencies Act 2020. Following representations made on behalf of the Corporation at each stage of the constituency review process, the final recommendation maintains the constituency link between the Cities of London and Westminster, with the report noting “the broad support for [the] revised Cities of London and Westminster constituency.” The new constituency boundaries will be used at the next General Election and will come into effect following an Order in Council being approved personally by HM The King at a meeting of the Privy Council. The legislation states this must be no later than four months after the final reports have been laid in Parliament unless there are

exceptional circumstances. A separate report on this matter will be made to the Policy and Resources Committee.

28. A government amendment to the Levelling-up and Regeneration Bill addressing concerns 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) was (at last) tabled in the Lords. Minister Earl Howe said the Government was of the view that “there is merit in correcting the disparity that applies uniquely to members of the Common Council of the City of London, preventing them from voting on housing matters when they are also tenants of the council.” He explained that this would allow members of the Common Council to “apply for a dispensation to vote, bringing the City of London in line with the disclosable interest regime that applies to all other local authority members under the Localism Act 2011.” Labour spokesperson Baroness Taylor of Stevenage said she thanked the Minister for “clearing up the very longstanding anomaly relating to the City of London Common Council” before turning to speak to other amendments. Practical implications of the amendment for Members can now be addressed through the Corporation’s internal machinery although the Bill has not yet received Royal Assent as it is still going through its final stages in Parliament. The amendment will come into force two months after Royal Assent.

William Stark

Senior Parliamentary Engagement Officer

T: 07584 327 077

E: william.stark@cityoflondon.gov.uk