

Committee(s): Policy and Resources – Information Communications & Corporate Affairs Sub Committee	Dated: 11/07/2024
Subject: Innovation and Growth Quarterly Report	Public with accompanying Non-Public Appendices
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Dynamic Economic Growth
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	
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Summary

This report presents the impact of the City of London Corporation’s (CoLC) work in support of UK Financial and Professional Services between April and June 2024. It gives Members of the Committee visibility of the outcomes of workstreams in the last quarter and upcoming areas of work in the Innovation and Growth (IG) Department, working with Corporate Affairs, Media, the Remembrancer’s Office, the Office of the Policy Chairman and Mansion House.

Recommendation(s)

Members are asked to:

- Note the update on key pieces of work that have taken place in including overseas offices between April – June 2024,
- Note the outcomes reached against targets from the previous quarter ([Appendix 1](#)),
- Note the IG Forward Look – July – October 2024 ([Appendix 2](#)).

Main Report

Background

1. CoLC, through IG working closely with Corporate Affairs, Media, the Remembrancer's Office, the Office of the Policy Chairman and Mansion House works to strengthen the UK's financial and professional services (FPS) creating jobs and growth right across the UK. Our programmes in this area support the recommendations in the corporation's Vision for Economic Growth Report and are aligned to the Competitiveness Strategy 2021-25.
2. As previously agreed with Policy and Resources Committee, IG will provide quarterly updates on key pieces of work. This report updates Members on the period between April – June 2024.

Current Position

3. IG has carried out a wide range of activity between April and June, including highlights such as the Launch of Women Pivoting to Digital Taskforce, launch of the Total Tax report, another successful Net Zero Delivery Summit and much more. Please see [Appendix 1](#) for further details.
4. Whilst IG reports annually to P&R on overseas offices in December, a brief update has been included below on work throughout the last quarter.

Brussels

5. Between April and June, the Brussels office has supported three member state delegation visits with the Policy Chairman: Ireland, Italy and Germany (see more detail in [Appendix 1](#)).
6. The office hosted an event on UK-EU cooperation on T+1 settlement in Brussels. Aligning UK and EU approaches to settlement cycles for securities trading is a priority for our sector.
7. The office collated the industry input and led the formal submission to HMT via the IRSG EU Regulation Committee for the second meeting of the UK-EU Regulatory Forum on financial services. Establishing and embedding this Forum has been a major priority over the past year. We were pleased to note the second meeting in May was held in positive and forward-looking atmosphere.
8. On policy, some of the key files of this legislative cycle, including the Corporate Sustainability Due Diligence Directive (CSDDD) and the European Market Infrastructure Regulation (EMIR) landed in a favourable place.

India

9. Within the India office work has continued on the UK-India Infrastructure Financing Bridge. Virtual consultation with partners in India and Steering Committee members in the UK has been conducted to prepare the ground for in-person engagement in July.

10. An introductory meeting took place with the new UK High Commissioner to India.
11. Engagement with Government of India officials was suspended during the election period between 19 April and 4 June when results were announced.

China

12. The reporting period of April – June 2024 delivered a number of strong outcomes from the Chinese market into the UK. In terms of Foreign Direct Investment (FDI), the China Minsheng Bank London Branch has been granted approval from the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Separately, Yingke Law Firm was established in the City of London.
13. In terms of Green Finance, the Industrial and Commercial Bank of China (ICBC), one of the world's largest banks, issued Green Bonds on the London Stock Exchange, strengthening London's role as the international financial centre.
14. In terms of policy influence, China also expanded the quota for qualified domestic and foreign Institutional Investors (QDII/QFII) to invest overseas (including UK) and into China respectively. Separately, in the run up to the Net Zero Delivery Summit, China announced the use of ISSB Standards as basis for its Sustainability Disclosure Standards. These are important policies advocated by previous visits by the Lord Mayor and Policy Chairman.
15. The Lord Mayor last visited China in March and the Policy Chairman in June with a FDI and Green Finance agenda.

United States

16. In late April, the Policy Chairman led a delegation visit to Washington DC. He met with senior policy makers, regulators and c-level industry. The Policy Chairman outlined our sector's priorities for the UK-US regulatory relationship based on the April publication of a British American Finance Alliance paper. The Policy Chairman co-chairs this City of London initiative.¹
17. The Securities and Exchange Commissioner (SEC) Hester Peirce is proposing a UK-US cross-border regulatory sandbox as recommended in the City of London's Vision for Economic Growth report. This is in a response to the FCA and BoE joint Digital Securities Sandbox (DSS) consultation and US MD is researching US FPS community's response. The City of London is supporting this initiative.

Forward look

18. The table set out in Appendix 2 builds provides an overview of domestic and international visits and major moments or events upcoming in the next quarter.

¹ United States-United Kingdom Financial and Related Professional Services: A Foundation for Transatlantic Growth, Jobs and Security. <https://www.cityoflondon.gov.uk/supporting-businesses/economic-research/research-publications/the-british-american-finance-alliance>

This work is managed by the Trade and Investment, Policy and Innovation, and Research teams.

19. Members can find the target outcomes for each activity detailed in Appendix 2.

Corporate & Strategic Implications

20. Strategic implications – the activity outlined in this paper support the Corporate Plan and deliver against the Corporation’s Competitiveness strategy. Officers are aware that regular reports may in future be required against the high-level business plan and the Corporate Plan. Officers will ensure that papers such as this align with that process.

21. Financial implications – all financial implications are considered as part of IG’s departmental business planning and project planning processes.

22. Resource implications – all resource implications are considered as part of the project planning process.

23. Legal implications – none identified this paper.

24. Risk implications – all risk implications are considered as part of the project planning process and subsequent monitoring.

25. Equalities implications – none identified for this paper.

26. Climate implications – Officers recognise that international and, to a lesser extent, domestic travel have climate implications. These are considered as part of the Corporation’s wider commitment to climate action.

27. Security implications – none identified for this paper.

28. Health Implications – none identified for this paper.

Conclusion

29. This paper is the second of the quarterly cycle of reports outlining the impact of the City of London Corporation’s work to support the competitiveness of the UK as a global financial and professional services centre. This work is led by IG working with Corporate Affairs, Media, the Remembrancer’s Office, the Office of the Policy Chairman and Mansion House.

30. Officers will return to Policy and Resources Committee to report on the outcomes of the activity outlined in Appendix 2 and provide a forward look to upcoming activity

in the following quarter. The next report will be received at October Policy and Resources.

Appendices

- Appendix 1 (Non-Public) - IG Activity – Outcomes
- Appendix 2 (Non-Public) – IG Forward Look

Background Papers

- IG Quarterley Report – April 2024 - submitted to Policy and Resources on 11 April 2024
- High-level business plan - submitted to Policy and Resources on 18 March 2024

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