



1. SUMMARY

The City of London Corporation ('City Corporation') welcomes the intention of the London Growth Plan and is committed to working with stakeholders across London as a partner for growth.

The City Corporation hopes that the government's anticipated industrial strategy will identify Financial & Professional Services as a key focus sector and set out measures to grow the sector and drive investment.

The London Growth Plan can complement this approach and align national industrial sector priorities with a focus on London as a place, ensuring that there is a strong business environment and the City of London is able to retain and grow its position as a global financial hub.

As the governing body of the Square Mile, the City Corporation is dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

The City Corporation is the voice of the UK's world-leading Insurance, Financial and Professional Services sectors which employ 2.4 million people in the UK; two-thirds of them outside London. These sectors produce £110bn in tax revenue for HM Treasury¹, 12.3% of total UK tax receipts; more than the Government's annual education budget and more than half the health budget.

The City of London is home to 615,000 workers, major global firms from the financial, insurance, tech, creative, professional & business services sectors and a thriving start up culture. The City of London Police provides safety and security for both the physical and digital aspects of the UK's primary financial district. Their local presence not only safeguards the businesses, workers and residents within the area but also contributes to maintaining a safe and welcoming environment for global companies, reinforcing the country's economic security and the City's status as a premier destination for international commerce.

The City of London produces £97bn in economic output annually² and pays more in business rates than Manchester, Birmingham and Leeds combined.

A country's ability to improve people's standard of living is reliant on strong productivity growth but since the turn of the century, the UK has been in the bottom third of OECD countries on this measure³. This is exacerbated by the UK's persistently low business investment in new technologies, patents and skills; consistently lower than other advanced nations⁴ and on a downward trajectory since the mid-1980s⁵.

Through our [Vision for Economic Growth](#), co-authored with leading industry experts, the City Corporation offers concrete recommendations across insurance, pensions and sustainable finance which could help unlock £225bn of additional investment into the UK economy with no requirement for primary legislation or government funding.

City of London analysis demonstrates that London is the globally leading financial centre but that there is strong challenge from international competitors.

¹ [Total tax contribution of UK financial services - City of London](#)

² [City of London Factsheets February 2023](#)

³ [UK trade in numbers \(web version\) - GOV.UK \(www.gov.uk\)](#)

⁴ [NIESR-GE-Briefing-Compilation.pdf](#)

⁵ [Cities Outlook 2024 | Centre for Cities](#)



To support the City's position as London's economic powerhouse, the City Corporation would like to see the London Growth Plan reflect the following:

- Recognition of the City as a crucial part of London's central business district, its potential for growth and of the agglomeration effects that the concentration of businesses and workers brings.
- Support for measures to improve London's global competitiveness, including transport links, digital infrastructure, international connectivity and access to talent and skills; increasing the attractiveness of the City as a destination for global firms, workers and visitors.
- Support of growing City clusters, like tech, and measures to encourage business growth in these areas, supported by the successor to UK Share Prosperity Fund.
- Explore areas where City specialisms, like law and finance, can support growth across London.
- Explore routes for Londoners from all backgrounds to explore and secure high skilled jobs in the City of London.

Below, the City Corporation has outlined our work in each of these areas, setting out how the City can contribute to London's growth in the coming decades.

2. BUILDING ON LONDON'S STRENGTHS AS A GLOBAL CITY

Context:

The City of London's productivity is based on the agglomeration of firms and workers in related industries, sharing inputs and labour pools and benefiting from the diffusion of ideas and technologies.

The intense concentration of business occupiers in a small area is a key part of the attraction for companies looking to move into the City. The clustering of businesses is a vital part of the City's operation and contributes to its reputation as a dynamic place to do business. The City lies wholly within London's Central Activity Zone (CAZ) where the London Plan promotes further economic and employment growth.

To maintain and grow this position, it is vital to ensure that sufficient office floorspace is available to meet projected employment growth and occupier demand and that additional office development is of high quality and suitable for a variety of occupiers.

The City Corporation's draft City Plan forecasts an overall office floorspace target of an additional 1,200,000 square metres, derived from the estimated growth in office employment between 2021 and 2040.

Working patterns post-pandemic have settled, and recent Centre for Cities research has shown that the average central London office worker is spending 2.7 days per week in the office compared to 3.5 days per week for a Paris office worker. Measures that increase the attractiveness of in-office working can have a catalytic effect on investment in office real estate.

City of London analysis shows that there is intense competition from other global financial centres. Many of the factors that affect this competition are within the competence of national governments, such as a strong regulatory environment. Others can be influenced by London government. For example:

- High quality office supply.
- Reliable technology and digital infrastructure.
- Reliable and well-connected transport.
- Quality of life and quality of experience for workers.

The City Corporation's [Destination City](#) programme seeks to cast the Square Mile as a magnetic destination for workers, firms and visitors and the City Corporation looks forward to working with partners across London to anchor this approach within the wider success of the capital.

The City Corporation would like to see the London Growth Plan reflect the strength and growth potential of the Square Mile as a crucial part of the Central Activity Zone, home to globally competitive industries that can help to drive London's growth over the coming decades. Adding to this, the London Growth Plan should ensure the Government and partners across London work together to (a) provide confidence to national and international markets as to the return on investment from Grade A office development in the City and key parts of the CAZ; and (b) Government not losing sight of commercial development/growth when emphasising the importance of housing growth; and (c) Government working with London and the City specifically to consider what policy levers can be applied to unblock investment into such commercial development.

The London Growth Plan should target initiatives that will support London's globally competitive industries to thrive; high quality and reliable transport, digital infrastructure and access to talent and skills.

3. SUPPORTING INNOVATIVE HIGH-GROWTH SECTORS

Context:

The City of London is home to 22,000 Small and Medium Enterprises (SMEs) as well as major global employers. The London Growth Plan should support measures to stimulate this start-up culture, making it easier for firms to grow, complementing the City Corporation's new [SME Strategy](#) which aims to develop an offer on access to space, finance, data, networks and advice.

Key Stats:

- According to the City Corporation's report, [City of London Small and Medium Enterprise \(SME\) Landscape](#), the fastest growing sub-sectors in the Square Mile are the tech and creative sectors, built on the firm foundations of our Financial, Insurance and Professional Services.

In the London Growth Plan, the City Corporation would be keen to see:

- A successor to the UK Shared Prosperity Fund small business support which **takes account of allocated small business population, as opposed to solely relying on resident population size**. The Square Mile is home to innovative start-ups across the financial, professional services, insurance, tech and creative sectors. Previous regional small business funding rounds have been allocated with reference to residential head of population, meaning that there is little to no coverage of the major start up and SME clusters in the City.

- There should be efforts made to reduce the complexity of the business support environment; current support is spread over multiple agencies and tiers of government and a concerted effort should be made to make the system as simple as possible, working with agencies that already exist on the ground.

4. GROWING LONDON'S WORKFORCE AND SKILLS

Context:

The City Corporation works to ensure that London and the UK cultivates a strong pipeline of skills and talent for the UK financial and professional services. We do this by running targeted projects, such as founding of the [Financial Services Skills Commission](#) – which ensures that FPS businesses have the talent and skills they need for the future – and [Progress Together](#).

The City Corporation has also identified a particular section of the workforce which is at risk of being excluded from the digital transition to tackle this, we commissioned the ['Women Pivoting to Digital Taskforce'](#) which aims to support women from non-technical backgrounds to pivot to digital roles.

Evidence and Statistics:

- Much of the green skills work visualised by the London Growth Plan has already been carried out by the City Corporation, through the Skyline Taskforce's ['Skyline Skills Recommendations Report'](#), which provides a strong evidence base around the green skills challenge and recommendations for action.
- By 2030, nine out of ten British workers will need to upskill or reskill into a new job according to Confederation of British Federation of Industry in 2020. Rapid advancements in technology will make those numbers look conservative.
- An IBM survey found that 48% of UK business leaders admit to needing more support on skills development and learning in AI.
- In almost every specialist digital role across all sectors of the economy, women are significantly underrepresented. There will be 1 woman for every 128 tech roles by 2025, according to the Tech Talent Charter and Code First Girls' Diversity in Tech report.

In the London Growth Plan, the City Corporation would be keen to see:

- To recognise and promote the new [Skyline Skills Hub](#) as a 'one stop shop' for best practice for green skills for London's commercial built environment.
- Collaborate with the new Skills England body to ensure London's skills gaps are recognised and prioritised
- Explicit recognition that mid-career women should be supported to upskill and reskill into digital role. The Women Pivoting to Digital Taskforce will share more concrete policy asks in the coming months.
- Support skills development initiatives for young entrepreneurs.
- A plan to build high quality, sustainable and affordable housing with supporting infrastructure to support job growth.

5. DELIVERING AN INCLUSIVE ECONOMY

Context:

Whilst London is the driver of the UK's economy, some Londoners do not feel the socio-economic benefits of growth, with over a quarter of Londoners living in relative poverty. The City Corporation

supports a strong economy that creates jobs for people from all backgrounds, enabling City businesses to compete globally and create lasting value for people across the UK.

Background:

- The City Corporation runs the annual London Careers Festival, where we connect tens of thousands of the capital's school children with major firms offering employment advice, apprenticeships, and work experience.
- The City Corporation co-founded **Progress Together** which seeks to address barriers to social mobility within Financial and Professional Services firms, working with employers to focus on, progression and retention, increasing the socio-economic diversity of their senior leadership whilst driving productivity and growth at the same time.

6. BUILDING FOR GROWTH AND NET ZERO

Context:

London is the leading global centre for green finance, a key part of the solution to tackling climate change. Green finance is one of the best tools available to policymakers in the urgent race to meet climate targets. London is home to green innovation and expertise, as well as a full spectrum of green financial and professional services. We are world leaders because of our reputation for innovation, access to a global investor base, and world-class clusters of expertise.

The [Skills for a Sustainable Skyline Taskforce](#) is working at pace to identify and bridge green skill gaps to ensure that Central London has a globally competitive sustainable commercial built environment which we need to retain our world leading financial and professional services sector.

The City Corporation would be interested in exploring whether Square Mile specialisms, such as green finance, could support growth across London.

In the London Growth Plan, the City Corporation would be keen to see:

- The London Growth Plan should consider the findings of the City of London Corporation's report [From Commitment to action: tackling UK financial services' progress on the pathway to net zero](#).
- The London Growth Plan should address these hurdles to the mobilisation of green finance (such as short-termism, trustworthy data and the ever-present risk of greenwashing), securing the City's place as a global centre for green finance.
- The London Growth Plan should call for a clear and consistent playing-field for investment in sustainable infrastructure and sustainable development. This should include making the case to Government for continuing legislative and regulatory support for low carbon low carbon infrastructure such as heat networks. The London Growth Plan should emphasise the need to develop and implement sub-regional Local Area Energy Plans (LAEPs), produced by the GLA, local authorities and the main utilities to identify the key priorities for cross-boundary energy infrastructure development and investment to reach net-zero.
- The London Growth Plan should also recognise the City Corporation's leading role in retrofit first approach and specifically our carbon options guidance. This groundbreaking work could also be reflected in regional growth plans and the NPPF. This work could further influence regional growth plans across the country.