

Committee(s): Policy and Resources – For Information Communications & Corporate Affairs Sub Committee	Dated: 7/11/2024 28/11/2024
Subject: Innovation and Growth Quarterly Report	Public
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?	
Report of: Damian Nussbaum, Executive Director for Innovation and Growth	For Information
Report author: Daniel O’Byrne, Strategic Engagement and Operations Director, Innovation and Growth	

Summary

This report presents the impact of the City of London Corporation’s (CoLC) work in support of UK Financial and Professional Services between July and September 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 in close collaboration 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, including in overseas offices, between July and September 2024, and their outputs.

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 Corporate Plan objective to deliver Dynamic Economic Growth, the recommendations in the Corporation’s Vision for Economic Growth Report and are aligned to the Corporation’s Competitiveness Strategy 2021-25.

2. As previously agreed with Policy and Resources Committee (P&R), IG will provide quarterly updates on key pieces of work. This report updates Members on the period between July - September 2024.

Current Position

3. IG has carried out a wide range of activity between June and September, across the key areas of our 2024/2025 business plan. Updates on key initiatives and workstreams are provided from paragraphs 7 to 11.
4. These support the objectives laid out in the IG Business Plan. They are:
 - Open & Global – ensuring that UK is a global gateway for FPS business.
 - Sustainable Finance – positioning the UK as a one-stop shop; the go-to partner for countries and companies, looking for capital and expertise, to help them meet their sustainability goals.
 - Innovation in technology - ensuring that UK FPS and our financial system is recognised as globally leading in technology.
5. Furthermore, IG's work in this area drives into three key policy outcomes:
 - Raising investment levels to create jobs.
 - Become a hub for sustainable finance.
 - Secure growth through a digital economy.
6. IG's macro-economic outcomes are measured through the KPIs in the departmental annual business plan (please see listed background paper). These macro-economic KPIs are measured and reported on an annual basis through the benchmarking report published in January each year.

Open and global

7. During the last quarter, IG supported both Policy Chairman and Lord Mayor's domestic and international engagement. The Policy Chairman conducted successful visits to China, Singapore and Birmingham. The Lord Mayor was supported on his visit to the Channel Islands, Bermuda/Canada/Iceland, and Vietnam/Laos.
8. In September, a new piece of research was launched: *Catalysing UK economic growth through financial services foreign direct investment: a call to action*. This piece draws on a new approach and new analysis. Although the financial and professional services sector generates significant FDI for the UK, traditional estimates understate the economic contribution of these investment flows. The key findings of the report were that the UK can benefit from £7.7bn in additional capital from foreign sovereign investors by 2030. Sovereign wealth and public pension funds who have opened a UK office have more than doubled (2.2x) their investment in the five years after opening their UK office, bringing in an additional £13.4bn. The research was a key plank of party conference and ongoing political

engagement. It has since become Government policy to create a cross-departmental investment agency. This represents a significant step forward in an area where the Corporation has consistently called for action over the past year.

Sustainable finance

9. In July, the Skills for a Sustainable Skyline Taskforce Summer Conference took place. Over 60 in-person Taskforce members learned about the scope, intended impact and timescale for the Skyline Skills Hub. 15 additional industry leaders have joined the Taskforce as Associate Members as a result of the ask at the meeting to raise industry awareness. Total Taskforce membership is now over 340 firms, all of whom have committed to host and promote the Hub when it launches on 11 December.
10. A UK-India Infrastructure Financing Bridge (UKIIFB) SteerCo Meeting took place in September. A delegation from NITI Aayog travelled to the UK between 4th – 6th September to officially launch the UKIIFB project. An Exchange of Letters ceremony took place on 4th Sept 2024 between NITI Aayog CEO and CPR. This was received positively in the media. The Second UKIIFB Steering Committee was held with members from the UK and Indian sides at the Indian High Commission.

Innovation in technology

11. A Synthetic Data Workshop was held in July. There were attendees from across FPS and Skills providers including a wide range of departmental representation e.g. HR, Legal and IT. The workshop and its outputs feed into AI upskilling initiatives.

Overseas offices

12. In addition, 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

13. The Brussels Office ran a biannual meeting of the Anglo-French Dialogue convening UK and French firms, central banks, regulators and senior officials in July. The Brussels Office represented CoLC at parallel dialogues with Germany and Italy.
14. The Brussels Office secured Eurogroup Minister Paschal Donohoe to deliver a major speech in the Guildhall on 3 September. The Minister spoke on future UK-EU relations laying the foundations for deeper collaboration. Over 100 senior representatives from City firms joined the event.

15. The Brussels Office participated at the Eurofi conference in Budapest along with firms, EU officials, and permanent representatives. The Brussels Office co-hosted a reception at the British Embassy Budapest on the eve of the conference.

India

16. CPR has driven forward the UK India Infrastructure Financing Bridge (UKIIFB). Regular consultation and stakeholder management with the India chief representative led to NITI Aayog confirming their visit to the City of London for the second Steering Committee. The India delegation included the CEO of NITI Aayog, BVR. Subrahmanyam who met with CPR and formally launched the project via an 'exchange of letters' ceremony.

17. Engagement with UK Fintech companies in India took place on the sideline of Global Fintech Festival (GFF). CoLC representative was invited by the British Deputy High Commission who were leading on GFF programme.

China

18. There were several follow ups from the Policy Chairman's successful visit in June 2024 where he had direct meetings with target firms who are progressing with potential plans or have confirmed investment commitments. The reporting period saw delivery of a number of strong outcomes for the UK. In terms of Foreign Direct Investment (FDI), IG's China team delivered the following successful cases:

- Yingke law firm opens London office (Sep), and
- CITIC Securities expands its London office at the new 8 Bishopsgate development with capacity to increase headcounts by nearly 50% (Aug).

19. Green Finance deliverables driven by the UK-China Green Finance Taskforce co-convened by the CoLC:

- Bank of China signs MoU with the British Embassy to advance cooperation in Green Finance and Biodiversity standard (Sep).
- China Construction Bank listed Green Bonds on London Stock Exchange (July).

20. Trade promotion:

- In-market: CoLC Beijing Office worked with the British Embassy Beijing and UK financial services to promote London' strengths as a global financial centre, destination for investments and leader in Green Finance at the annual China International Fair for Trade in Services (CIFTIS) in Beijing (Sep).
- UK's Aspect Capital is also scheduled to set up in Shanghai.
- Invest into London: Based on the long-standing City-to-City business relations MOU, the CoLC welcomed an investment delegation from Beijing to discuss investment opportunities and financial services in the City of London (Sep.)

21. Policy influence: Following advocacy on Open & Global markets, most recently at senior meetings with Chinese financial regulators during the CPR visit, China State Council issued policies relaxing entry barriers and ownership restrictions for foreign (including UK) financial institutions in the Chinese pension and insurance markets (Sep).

United States

22. Policy Influence:

- As co-chair of the British American Finance Alliance (BAFA), the Policy Chairman wrote to the Chancellor of the Exchequer introducing her to BAFA as a one-stop-shop for engagement with the US sector in August.
- CoLC co-hosted a meeting of BAFA firms and trade associations following the 10th meeting of the U.S-UK Regulatory Dialogue in September in Washington with incoming HMT leads.
- CoLC leads have continued exploratory analysis into a potential US-UK regulatory sandbox following engagement with SEC Commissioners over the summer.
- US/UK Financial Innovation Partnership and FRWG – following up on recent insurance roundtable and builds on long-standing engagement with regulatory dialogue.
- The team continue to monitor the US election impact.

Corporate & Strategic Implications

23. 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.

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

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

26. Legal implications – none identified this paper.

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

28. Equalities implications – none identified for this paper.

29. 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.

30. Security implications – none identified for this paper.

31. Health Implications – none identified for this paper.

Conclusion

32. This paper is the third of the quarterly cycle of reports outlining the activity 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.

33. In addition, the annual Overseas Offices report will be provided at December Policy and Resources Committee.

Background Papers

- IG Quarterly Report – July 2024 - submitted to Policy and Resources on 11 July 2024
- IG Quarterly 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

Daniel O'Byrne

Strategic Engagement and Operations Director
Innovation & Growth

E: Daniel.O'Byrne@cityoflondon.gov.uk