

# INNOVATION & GROWTH 2025/26 BUSINESS PLAN

## About us: Our purpose, aims and impacts

**IG has two distinct pillars of work – Financial and Professional Services, and the Climate Action Strategy.**

### ***Financial and Professional Services***

The Innovation and Growth Department (IG) partners with government and industry to create jobs and growth right across the UK. We achieve this through targeted policy and promotion interventions.

By working across the entire value chain, we help to support and strengthen the UK's financial and professional services (FPS). Our programmes support the Corporate Plan objective for Dynamic Economic Growth, the recommendations in the Corporation's Vision for Economic Growth Report and the Corporation's Competitiveness Strategy 2021-25.

Our funding and governance role across industry extends our reach and builds extra capacity for delivery, working with partnership organisations including TheCityUK, the Green Finance Institute, the Impact Investing Institute, the Financial Services Skills Commission, Progress Together and Innovate Finance.

Key impacts and outcomes in the past year include:

### **Raising investment levels**

There are now 11 Signatories to the Mansion House Compact. This is equivalent to over two thirds of the Defined Contribution (DC) Assets Under Management. As of July 2024, Compact signatories held 0.36% of the total value of their DC default funds in unlisted equities. In addition, 10 out of 11 companies have taken steps to establish or expand their expertise in unlisted equity investment and four specific funds have been launched.

Through Vision for Economic Growth, IG has supported the Policy Chairman's calls for an FPS strategy and a National Investment Agency. The Government has announced that Financial Services and Professional Business Services will be two of eight sectors included in its Modern Industrial Strategy. It has also announced plans for a scaled up and cross-departmental Office for Investment. These represent significant policy wins for the Corporation and wider industry.

### **Becoming a sustainable finance hub**

IG, on behalf of the Corporation, hosted and co-led the Secretariat to the Transition Finance Market Review. The Review's recommendations outline an ambitious roadmap to establish the UK as a global transition finance hub, detailing the necessary steps for Government, regulators and the market. In response to these recommendations, HMG co-launched the Transition Finance Council alongside the Corporation to continue to capitalise on the opportunity for the UK.

We have also been successful in shaping next steps on HMG policy to support the development of carbon markets, building a coalition of ecosystem builders to drive forward the impact investing agenda within PE and VC firms, and showcasing the UK as a leader in sustainable finance via the Net Zero Delivery Summit and COP29.



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We have worked with HMG and international partners to share expertise and increase private capital investment flows from the UK to sustainable infrastructure through targeted projects.

### **Securing growth through a digital economy**

Digital verification will be a critical element in the UK's future competitiveness. It also helps in the fight against fraud. We are progressing this work at two levels. With the Centre for Finance Innovation and Technology (CFIT), which we helped to set up and industry we are helping drive business-to-business solutions. In parallel we are progressing our own work on individual consumer digital verification solutions.

The legislative underpinnings for these innovations still need to be developed. As part of Vision for Economic Growth, the Corporation has encouraged the progression of the Data (Use and Access) Bill. Its predecessor Bill had fallen at the General Election, so it was important to see key provisions reintroduced in the DUA Bill.

To be effective, these advances need to be integrated in a coherent international framework. We provide a cross-sectoral voice, including through our work co-sponsoring the International Regulatory Strategy Group with TheCityUK, to shape the development of a globally coherent regulatory framework for AI, data, digital assets, and cross-border sandboxes that will facilitate open and competitive cross-border financial services. Finally, tech skills will be vital for the UK's digital economy to flourish. As part of our focus on digital skills, we launched the Women Pivoting to Digital Taskforce, which brings together business, government, third sector, and industry groups to bring more attention to and action around supporting women from non-technical backgrounds to pivot to digital roles.

### ***Climate Action Strategy***

IG's second pillar is to co-ordinate performance in delivering the Climate Action Strategy (CAS). The CAS delivers the Corporation's transition to net zero and builds climate resilience for the Square Mile and Corporation assets. It provides a hub model, working across multiple departments to support three primary objectives for the City Corporation and the Square Mile. The achievement of net zero emissions, to build resilience, and to champion sustainable growth.

Key impacts and outcomes in the past year include:

- 2027 net zero in the Corporation's own operations: A 65% reduction in net operational emissions against the 2018/19 baseline. However, this missed the 84% interim target. Performance is not on track to meet our 2027 net zero target, largely due to external factors. Mitigating actions are underway to bring us back on track.
- 2040 net zero in the Corporation's total value chain: A 19% reduction in net emissions from the Corporation's total value chain, against the 2018/19 baseline. The first interim target is a reduction of 26% by 2024/25 – and we are on track to achieve this.
- 20240 support net zero in the Square Mile: The latest data for the Square Mile (2021) shows a 35% reduction against the 2017 baseline. The first interim target is a reduction of 60% by 2025 – and we are on track to meet this.
- The public [Climate Action Dashboard](#) provides a comprehensive view of CAS progress, reporting on 62 KPIs detailing progress in all areas of the Strategy.

**Our aims and objectives are...**



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To raise investment levels to create jobs, become a hub for sustainable finance, and secure growth through a digital economy.

On Climate Action, the Corporation has four ambitious targets. Achieve net zero in own operations by 2027. Achieve net zero across the Corporation's full value chain by 2040. Support net zero in the Square Mile by 2040. Build climate resilience in our buildings, public spaces and infrastructure.

## **Our key objectives and priority workstreams and major projects**

**We deliver our objectives working in partnership with government, industry and representative bodies. Through targeted and proactive engagement with national and global stakeholders in our priority areas, underpinned by a robust evidence base.**

**We work with other COLC departments to deliver both the Competitiveness and Climate Action Strategies.**

### *Financial and Professional Services*

#### **Raise investment levels to create jobs**

- Work with the government to advance plans for increased support for inward investment.
- Develop the Mansion House Compact.
- Work with the government to establish an FS growth and competitiveness strategy as part of the wider Industrial Strategy.
- Collaborate with HMG on delivery of a trade strategy that supports the goals of the Industrial Strategy, and grow trade corridors with priority jurisdictions, especially the EU and the US.
- Strengthen the UK's regulatory environment and champion global regulatory coherence.
- Ensure FPS has access to the right talent, home-grown and from abroad.
- Work to increase FDI, Capital flows and trade across priority markets.
- Continue to promote the UK's commercial speciality (re)insurance sector (the London Market) internationally as the continued destination of choice for insurance risk capital.

#### **Become a sustainable finance hub**

- Support the implementation of the Transition Finance Market Review via the Transition Finance Council.
- Develop the role of the UK as a leader on carbon markets.
- Work to establish a cross-sectorial working group dedicated to impact investing centred around HMG's missions.
- Leverage the Net Zero Delivery Summit as a key moment for showcasing UK leadership in delivering net zero en route to COP30.
- Launch a cross-sector First Movers Working Group to develop an investment blueprint for nature and adaptation finance.
- Increase private capital flows and professional services from the UK to Sustainable Infrastructure projects to support the net zero ambitions of High Growth Markets.

#### **Secure growth through a digital economy**

- Work to progress the passage of the DUA Bill to enable establishment of Digital Verification Services and the setting up of smart data schemes.
- Continue to convene and catalyse action on the Women Pivoting to Digital Taskforce, focusing on data collection, policy engagement and promotion through webinars and storytelling.



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- Explore opportunities with HMG and regulators to catalyse collaboration in key areas such as AI, RegTech and emerging technologies and explore innovative ways of working such as through cross-border sandboxes and multi-jurisdictional industry forums.

### Climate Action Strategy

- Delivery at pace to meet 2027 net zero target, focussing on decarbonisation interventions in over 30 assets.
- Review emissions sources for 2040 target to set up for long-term success, including Financial Investment strategy and sustainability in major works.
- Facilitate development of heat networks in the Square Mile, progressing the government's Advanced Zoning Programme in advance of incoming Heat Network Zoning regulations.
- Start transition of CAS into phase 2 (April 2027 onwards), with refreshed funding, resourcing and governance structures.
- The Climate Action Strategy is delivered by six different departments, with the workstreams and outcomes below notably delivered by the Environment Department and City Surveyor's.



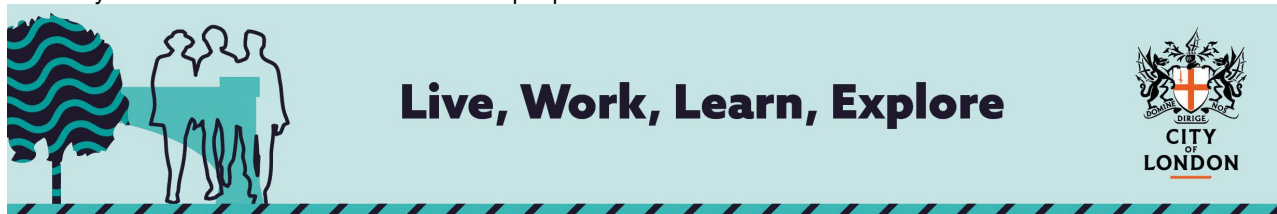
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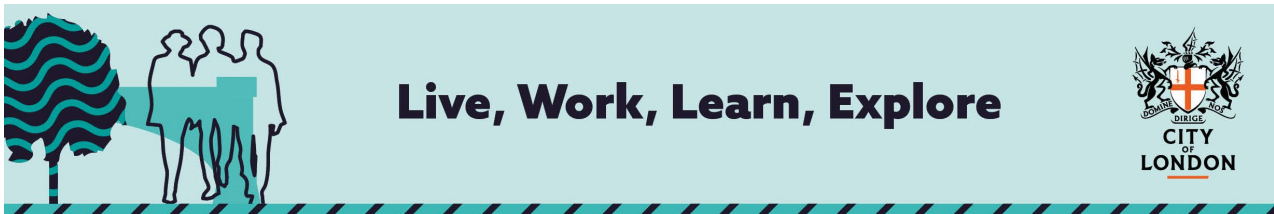
Priority workstream	Funding allocation %	People resource %	Corporate Plan 2024-2029 Outcomes	Outcome focused Performance measures	Outcomes / Impacts
<i>Add the workstream name and list the key 2025/26 deliverables. Note activities and milestones and give the date these will be achieved. Note if these have a different duration to the FY (shorter or longer).</i>	<i>Estimate the % (of the total 100%) budget that will be allocated<sup>1</sup></i>	<i>Estimate the % (of the total workforce) that will work on this<sup>2</sup></i>	<i>List all the CP outcomes this workstream contributes to</i>	<i>CP 2024-2029 Performance Measures should be shown in <b>bold</b></i>	<i>State what will be different</i>
<p><b>A - Raise investment levels</b></p> <ul style="list-style-type: none"> <li>• <b>Support the development of the Mansion House Compact and promote a positive risk culture in the UK</b></li> <li>• <b>Enhance promotion of the London insurance market</b></li> <li>• <b>Encourage FDI across priority markets into the UK</b></li> <li>• <b>Promote global coherence and engagement to enhance UK competitiveness</b></li> <li>• <b>Strengthen trade corridors with key jurisdictions</b></li> </ul>	<p><b>TBC depending on full departmental planning</b></p> <p><b>c.40%</b></p>	<p><b>TBC depending on full departmental planning</b></p> <p><b>c.33%</b></p>	Dynamic Economic Growth	<ul style="list-style-type: none"> <li>• Make further <a href="#">progress</a> on <b>9</b> moves in Vision for Economic Growth.</li> <li>• Work with Government to improve inward investment mechanisms.</li> <li>• <b>Increase the ambition of the Compact</b> (through either new market segments, employer engagement, or other means). and increase</li> </ul>	<p>Global competitiveness increased</p> <p><b>Annual Benchmarking Score Composite – maintain no 1 rank and increase overall score</b></p> <p>Growth of core financial services: Asset Management, Insurance, Banking</p>

<sup>1</sup> Does not total 100% because some departmental budget is allocated to 'BAU' activities and/or is unprogrammed for emerging or unexpected activities that arise in-year.

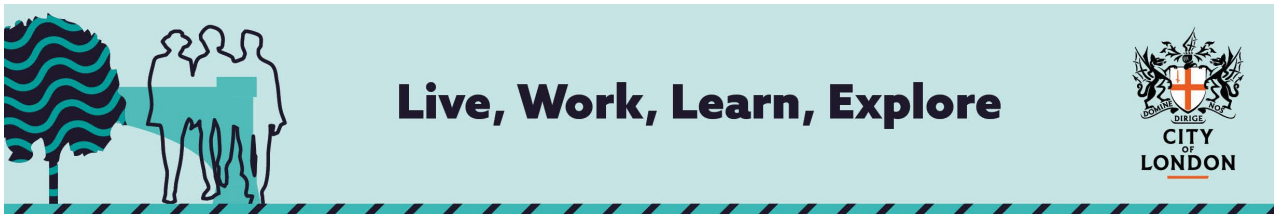
<sup>2</sup> Unlikely to total 100% or more because some people resource is allocated to 'BAU' activities and it could indicate a reliance on additional working time to deliver activities.



Priority workstream	Funding allocation %	People resource %	Corporate Plan 2024-2029 Outcomes	Outcome focused Performance measures	Outcomes / Impacts
				<p>percentage of total value of signatories DC default funds in unlisted equities</p> <ul style="list-style-type: none"> <li>• Increase COLC FDI wins in partnership with government and industry</li> <li>• Increase commercial trade outcomes (exports)</li> <li>• Protect existing market access mechanisms with key jurisdictions and implement Berne FS Agreement.</li> </ul>	<p><b>Increase absolute value over three years (IA/BCG, SwissRe, BIS)</b></p> <p>Increase FPS FDI into the UK <b>Positive five-year growth rate (FDI Markets)</b></p> <p>Strengthen regulatory and legal environment <b>Benchmarking: Regulatory Environment – increase score, target no 1 ranking</b></p>



Priority workstream	Funding allocation %	People resource %	Corporate Plan 2024-2029 Outcomes	Outcome focused Performance measures	Outcomes / Impacts
<p><b>B - Sustainable Finance</b></p> <ul style="list-style-type: none"> <li>• Establish the Transition Finance Council</li> <li>• Grow skilled workforce for net zero built environment</li> <li>• Breakdown barriers to private sector investment from the UK into High Growth Markets with regards to sustainable infrastructure</li> <li>• Global Leadership for Sustainable Finance and strengthened regulatory regime</li> </ul>	<p>TBC depending on full departmental planning</p> <p>c.30%</p>	<p>TBC depending on full departmental planning</p> <p>c.33%</p>	<p>Dynamic Economic Growth</p>	<ul style="list-style-type: none"> <li>• Transition Finance Council is functioning</li> <li>• UK level of investment in technologies required to decarbonise hard to abate sectors (TF)</li> <li>• Index of Construction Job Vacancies in Greater London (skills)</li> <li>• Number of ESG ratings/data providers signing up to the ESG Ratings and Data Code of Conduct</li> </ul>	<p>Strengthen sustainable finance offering</p> <p><b>Z/Yen Green Finance Index – maintain no 1 ranking, increase rating score</b></p>





Priority workstream	Funding allocation %	People resource %	Corporate Plan 2024-2029 Outcomes	Outcome focused Performance measures	Outcomes / Impacts
<p><b>C - Secure growth through a digital economy</b></p> <ul style="list-style-type: none"> <li>Continue supporting creation of world leading AI ecosystem</li> <li>Scaling digital verification solutions for UK FPS businesses and their customers</li> <li>Supporting the UK FPS sector in exploring and adopting emerging technology</li> <li>Global leadership for innovation and strengthened regulatory regime</li> <li>Support development of digital skills in FPS workforce</li> </ul>	<p>TBC depending on full departmental planning</p> <p>c.30%</p>	<p>TBC depending on full departmental planning</p> <p>c.33%</p>	Dynamic Economic Growth	<ul style="list-style-type: none"> <li>Enhance Fintech adoption</li> <li>Grow number of AI start-ups</li> <li>Strengthen Digital competitiveness</li> <li>Grow digital skills among population</li> </ul>	<p>Strengthen the digital ecosystem</p> <p><b>Benchmarking: Innovative Ecosystem – increase score, target no 1 ranking</b></p> <p>Improve access to talent and skills</p> <p><b>Benchmarking: Access to Talent and Skills – maintain no 1 ranking, increase score</b></p>
<p><b>D – Climate Action</b></p> <ul style="list-style-type: none"> <li>Focussed decarbonisation delivery in operational assets</li> <li>Heat network development in the City</li> </ul>	N/A	100%	<p>Leading Sustainable Environment</p> <p>Vibrant Thriving Destination</p> <p>Flourishing Public Spaces</p>	<ul style="list-style-type: none"> <li>Energy consumption reduction (&gt;5% reduction YOY)</li> </ul>	<p>On track to deliver:</p> <p><b>Net zero by 2027 for our operations</b></p>



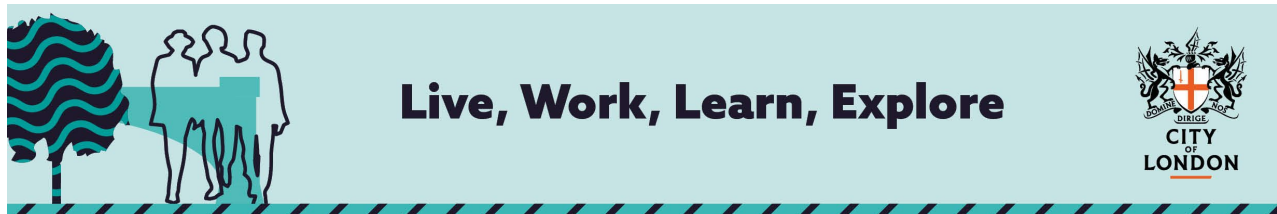
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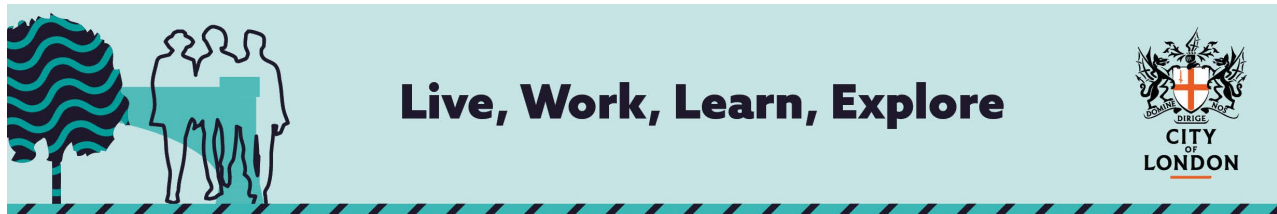
Priority workstream	Funding allocation %	People resource %	Corporate Plan 2024-2029 Outcomes	Outcome focused Performance measures	Outcomes / Impacts
<ul style="list-style-type: none"> <li>Development of CAS Phase 2</li> </ul>			Providing Excellent Services	<ul style="list-style-type: none"> <li>Partnership development for heat network construction</li> <li>Future direction scoped and agreed</li> </ul>	<p><b><i>Net zero by 2040 for our full value chain</i></b></p> <p><b><i>Net zero in the Square Mile by 2040</i></b></p> <p><b><i>Climate resilience</i></b></p>



Our timeline planner of priority workstream activities and milestones

Key	
	Duration of activity
	Milestone

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Beyond 2025/26	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2026/2027	2027/2028
Workstream A <b>Raising investment levels</b>		FPS dinner			Mansion House speech			City Dinner			World Economic Forum			
	Fintech FDI and pitch at IFGS			UK Tech Week FDI and innovation			FI - Gulf		Annual Brussels reception		Benchmarking			
		Global Risk Summit		State of the Sector										
	Support the development and expansion of the Mansion House Compact and promote a positive risk culture in the UK													
	Enhance promotion of the London insurance market													
	Encourage FDI across priority markets into the UK													
	Promote global coherence and engagement to enhance UK competitiveness													
	Strengthen trade corridors with key jurisdictions													



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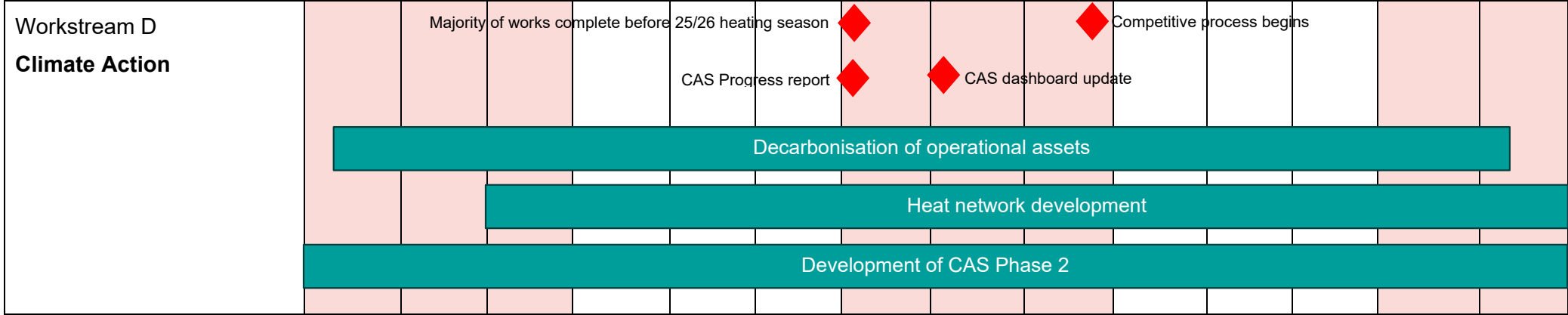
<p>Workstream B</p> <p><b>Sustainable finance</b></p>	<p>◆ Sustainable investment delegation</p>	<p>◆ Net Zero Delivery Summit</p> <p>◆ London Climate Action Week</p>	<p>◆ UKIIFB steering group</p>	<p>◆ COP30</p>															
	<p>Establish Transition Finance Council</p>																		
	<p>Grow skilled workforce for net zero built environment</p>																		
	<p>Breakdown barriers to private sector investment from the UK into High Growth Markets with regards to sustainable infrastructure</p>																		
	<p>Global Leadership for Sustainable Finance and strengthened regulatory regime</p>																		
<p>Workstream C</p> <p><b>Secure growth through a digital economy</b></p>	<p>◆ Innovate Finance Global Summit</p> <p>◆ Tech and Innovation Dinner</p>	<p>◆ London Tech Week</p>	<p>◆ Activation of CFIT 3<sup>rd</sup> coalition</p>	<p>◆ AI Safety Summit</p>															
	<p>Continue supporting creation of world leading AI ecosystem</p>																		
	<p>Scaling digital verification solutions for UK FPS businesses and their customers</p>																		
	<p>Supporting the UK FPS sector in exploring and adopting emerging technology</p>																		
	<p>Support development of digital skills in FPS workforce</p>																		
	<p>Global leadership for innovation and strengthened regulatory regime</p>																		



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**Enablers**

**People**

*HR are aware that the IG data is not currently correct within the system. IG are working with the team and will endeavour to make corrections to data ahead of the official release.*

**Workforce numbers:** Resource base headcount of 78, and FTE of 71.45.

**Demographics:** Unable to provide until data is updated

**Staff survey score:** 59% Engagement

**Key actions in our departmental actions plan:**

- Talent development and training,
- Look at missions/values within the framework on the Corporation’s overall values, behaviours and strategic plan,
- Improve communications and knowledge sharing across the department, and
- Improve shared facilities and collaboration spaces.

**Equity, Equality, Diversity and Inclusion**

*IG’s EEDI plan is still subject to Senior Management Team approval, but draft plans included below:*

**Internal:**

- Boost disclosure of sensitive information of IG colleagues by 5% against baseline
- Integrate recommendations from partner organisations to boost EDI within IG
- Identify activities and areas to improve EDI in IG

**External:**

- To have gender diversity on any panel event that IG runs or has responsibility for (FPS and CAS)
- To have at least 40% female attendees across Business events and CoLC managed IG events
- Diversity/ sustainability in procurement

**Finance**

Current IG budget estimate for 25/26 is £10.17m, subject to ongoing discussions with Chamberlains. 64% is Local Risk, with 35% Central Risk. £8.496m is allocated to FPS and £1.678m to CAS.

Estimated budget allocation to workstreams (Total estimated budget £10.17M)



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**Estimated forecast spend in respect of the priority workstreams**

[Example is the Comptroller and City Solicitor's Department estimated % budget allocated data from 2024/25 business plan created as a 'heat map']

**Priorities and plans being considered in the medium term**

What Medium Term action is required? (e.g. New legislation, services, projects, automation)	When? 2026/27	When? 2027/28	Is this Funded or Unfunded?
CAS Programme delivery (13 project plans)	x	x	Funded
FPS Competitiveness Strategy	x	x	Funded

**Risks**

Complete the table, adding all Corporate Risks where your Chief Officer is SRO or joint SRO, and your departmental red risks. Add a narrative if there are themes related to other risks e.g. linked to resources, transformation etc

Risk Title	Score
CR02 - Loss of Business Support for the City.	12
CR30 - Insufficient resources and prioritisation allocated to Climate Action.	12

**Health & Safety**

List up to three priorities for 2025-26

- Undertake 365 assessment with Director of H&S.
- Review and monitor H&S procedures for overseas activities (visits and offices).
- Contribute to events H&S safety review

**Operational Property**

All operational properties have been assessed as utilised, part utilised, or not utilised, and confirmation has been provided to the City Surveyor's Department.

Yes



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