

<b>Committee(s):</b> Public Relations and Economic Development Sub	<b>Date(s):</b> 21 <sup>st</sup> November 2013	<b>Item no.</b>
<b>Subject:</b> Research Programme Update		<b>Public</b>
<b>Report of:</b> Head of Research, EDO		<b>For Information</b>
<b><u>Summary</u></b>		
This report outlines the current programme of research underway, with the full schedule of research published this year appended for information.		
<b>Recommendations</b>		
The sub-Committee is recommended to note the information in this report.		

## **Main Report**

### **Background**

1. This report provides a regular update for the sub-Committee on the current activities and priorities for the research programme. This report gives a short summary of the research pieces due to be published by the end of 2013, and notes the new research that has been commissioned since the last meeting of the sub-Committee.

### **Current Position**

2. Research due to be published comprises the following projects:
  - a) Research on **firm migration** looking at patterns of firms coming into and out of the City, in terms of size / employment, sector and business characteristics (including age and GVA), to look at ways in which the City's business population and associated needs are changing. This will also include chapters focusing on the retail offer in the City, patterns of movement around Tech City, and serviced offices. This research will form the basis for the MIPIM seminar in March 2014, potentially alongside a developer perspective on the findings from the City Property Association.
  - b) Research looking at the **patterns of development of financial centres** as they grow from serving local markets through to international markets. This research will support engagement on overseas visits for the Lord Mayor and Chairman.
  - c) Two pieces of research looking at the proposed **Financial Transaction Tax**, one focusing on the impact on household savings for different EU member states, and one exploring the ways in which its current design

affect how well it is likely to achieve its stated aims. This work is a key part of the IRSG's engagement strategy around the FTT, identified as a priority for this year.

d) A paper looking at flows of **investment from emerging markets into the UK** and other developed markets, considering the patterns and any potential barriers. This is part of the programme of work with the China and India offices and Advisory Councils.

e) The annual **Total Tax** publication (sixth edition), looking at the contribution the UK's financial services sector makes to government tax receipts, including different components of tax (e.g. employment taxes and corporation tax) and changes over time. This work provides the only source of this data, demonstrating the tax contribution that financial services make to the UK economy.

f) Building on the arts and culture research, and the work around Tech City, we are acting as the national sponsors of the **London Remix Summit** (alongside global sponsors Google, Bloomberg and the British Council), bringing together culture and tech entrepreneurs. Deputy Chairman Jeremy Mayhew will feature on the opening panel, alongside Ed Vaizey, and there will be wider engagement across the programme of events across CoL (including EDO, Culture, Heritage and Libraries, the Barbican and GSMD).

g) Research around the economic impact of **short term aviation capacity options** for the south east, jointly commissioned with London First and originally scheduled for release in autumn, will now be released in January, as the initial findings suggest these will provide a more useful input to the Davies Commission around the need for a long term solution, rather than the current review of short term options.

3. Research newly commissioned comprises the following projects:

a) On 31<sup>st</sup> October, the City Corporation jointly launched a new **Social Investment Research Council**, with the Cabinet Office, Big Society Capital, the Big Lottery Fund and Citi. This builds on previous joint research in this area (this year around tax incentives and impact assessment), with two new pieces of research in the process of being commissioned around new sources of capital and pricing risk.

b) New work has been commissioned on **work-based health initiatives for City workers**, building on previous research focusing on the City workforce's health needs, to support the health priorities for the Department of Community and Children's Services and to be launched at CoL's workplace health conference in April 2014.

4. Research being scoped comprises the following topics:

a) Internal interviews with City Corporation departments around **housing** priorities are underway, to look at whether there are strategic themes in common that research could inform, either in support of the City Corporation's own priorities or as part of the wider London agenda in terms of the need for new housing at scale. Initial research in this area was published in February - *Institutional Investment in London's Market Rented Sector*.

b) Discussions are underway with the GLA about whether City Corporation research could help to inform the **Infrastructure Investment Plan for London**. This aim of this plan, currently under development, is to look at London's infrastructure needs through to 2050 for the residential and business population, and how these might be financed. This plan was one of the recommendations of the London Finance Commission, which City Corporation research also supported, with the *London's Finances and Revenues* report. One possible focus for our involvement might be looking at ways to fund utilities development, for example power and water, which would tie in with the City Corporation's support of the London Accord, the new Lord Mayor's programme with Tomorrow's Cities, and the wider smart cities agenda.

5. Evaluations of published research continue to be held three months after publication, looking at outcomes and impact, including download and distribution figures, press coverage, events and public mentions, meetings and feedback.

### **Corporate & Strategic Implications**

6. The programme of work outlined addresses a number of corporate and strategic priorities, including: informing the development of the City Corporation's own policies, work around the London agenda, partnership working with other bodies, business and community support, policy engagement at a London, UK, EU and international level, thought leadership, awareness raising of the City Corporation's activities, and collateral to inform meetings and visit programmes. Internal experts from across the City Corporation advise on specific projects, and PRO and Remembrancer's are widely involved around engagement and dissemination; the Topical Issues Programme projects are jointly run across PRO and EDO.

### **Implications**

7. The current annual budget for the research programme is £405K. There are on-going discussions with CLPS to ensure projects can be procured quickly, flexibly and in a way that is legally compliant.

### **Conclusion**

8. This report outlines the current programme of research for 2013. Members are asked to note the information in this report.

### **Background Papers:**

The research schedule was circulated for information at the sub-Committee on 19<sup>th</sup> September 2013.

### **Appendices:**

The full schedule of publications for 2013 is appended.

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# CITY OF LONDON CORPORATION: RESEARCH PROGRAMME 2013

[www.cityoflondon.gov.uk/economicresearch](http://www.cityoflondon.gov.uk/economicresearch)

	CITY INDUSTRIES	COMPETITIVENESS AND INFRASTRUCTURE	THE EU + REGULATION	INTERNATIONAL MARKETS	CORPORATE RESPONSIBILITY + COMMUNITY	CROSS CUTTING
FULL	<b>The Social and Economic Impact of the City's Arts and Culture Offer</b> (BOP Consulting) An analysis of the economic benefits of these organisations, the wider social impact and outreach work that they do, and the ways in which they improve the City's offer as a place to work, live and visit. <i>Published January 23<sup>rd</sup>, launch event at Mansion House</i>					
FULL	<b>2012 Research Review</b> Summary of the reports published across 2012 <i>Published February 2013</i>					
SIP	<b>Institutional Investment in London's Market Rented Sector</b> (Centre for London) This paper looks at the potential for greater institutional investment in the rented housing sector in London. <i>Published February 2013</i>					
SIP	<b>The Role of Tax Incentives in Encouraging Social Investment</b> (Worthstone, with support from Wragge & Co) Co-funding from Big Society Capital An exploration of the possible change in investor behaviour and associated incremental flow of capital under different tax regimes. <i>Published March 5<sup>th</sup> 2013</i>					
EVENT	<b>Annual Research Reception</b> <i>March 6<sup>th</sup>, City of London, Basinghall Suite</i>					
FULL	<b>Taking Stock: The Relationship Between Businesses and Office Provision in the City</b> (Ramidus) A review and analysis of office stock and enterprises in the City of London over the last ten years and forward looking, considering the range of functions and activities that different types of office stock support and extending out to the City fringes. <i>Published March 12<sup>th</sup>, launched at MIPIM seminar</i>					
SIP	<b>The Impact of a Financial Transaction Tax on Corporate and Sovereign Debt</b> (London Economics) An analysis of the ways in which enhanced co-operation FTI impacts on different sections of this market <i>Published April 3<sup>rd</sup></i>					
SIP	<b>Switzerland's Approach to EU Engagement: A Financial Services Perspective</b> (Centre for Swiss Politics, University of Kent) A short review of models of engagement with the EU, in particular the Swiss approach to bilateral trade agreements. <i>Published April 4<sup>th</sup></i>					
SIP	<b>SME Supply Chains in the City</b> (Bone Wells Urbecon and London Metropolitan University) Research into the linkages between SME supply chains in the City and surrounding boroughs, and the clustering and agglomeration benefits. <i>Published April 25<sup>th</sup></i>					
SIP	<b>The Economic Outlook for London</b> (Oxford Economics) Updated employment forecasts for London, with a focus on the City, Westminster and Tower Hamlets <i>Published April 30<sup>th</sup></i>					
SIP	<b>Tree Diseases in London – the Economic, Social and Environmental Impact</b> (Ian Keen Associates) <i>Published June 5<sup>th</sup></i>					
TIP	<b>The Value of London's Green Spaces</b> (BOP Consulting) An exploration of the benefits provided by the green spaces supported by the City of London <i>Published July</i>					
FULL	<b>The Size and Impact of the UK's Social Investment Market</b> (GHK) Co-funders: The Cabinet Office, Department for Work and Pensions, Big Society Capital, Big Lottery Fund A review of the current scale of the market supported by social investment funding and the economic impact thus generated. <i>Published July</i>					

FULL	<p><b>The Impact of Firm Migration on the City</b> (TBR)</p> <p>An analysis of the data on firm migration, looking at businesses moving into, out of and within the City by geography and business characteristics, considering also business clusters in neighbouring boroughs. This will also provide a separate analysis of the Tech City area. <i>Target publication November</i></p>
SIP	<p><b>Features of Global Financial Centres</b> (Bourse Consult)</p> <p>This short piece will provide an analysis of the aspects of market infrastructure that provide critical underpinnings for centres able to operate with a global reach <i>Target publication November</i></p>
SIP	<p><b>Potential Wealth Effects of a Financial Transactions Tax on European Households</b> (London Economics)</p> <p>A data-focused piece quantifying the economic impact of the FTT on household wealth. <i>Target publication November</i></p>
SIP	<p><b>Institutional Investment in the UK from Emerging Markets</b> (Trusted Sources)</p> <p>This paper will look at flows of institutional investment from emerging markets into the UK. <i>Target publication November</i></p>
SIP	<p><b>The Impact of the FTT on Regulatory Reform and Financial Stability</b> (Deloitte)</p> <p>Review of the ways in which the design on the FTT in its current form will impact on the extent to which it will achieve its intended aims. <i>Target publication November</i></p>
EVENT	<p><b>London Remix Summit</b> (Culture Label)</p> <p>Sponsorship of this event, bringing together technological and cultural entrepreneurs, with City of London speaker on keynote panel, and engagement across departments, including Barbican and GSMD. <i>3rd- 4th and 9th December 2013</i></p>
SIP	<p><b>Total Tax Contribution of UK Financial Services</b> (PwC)</p> <p>Annual update providing detailed analysis of tax components contributed by FS Companies to UK Govt receipts. <i>Target publication December</i></p>
FULL	<p><b>Research Review 2013</b></p> <p>Summary of the research published across 2013 <i>Target publication January 2014</i></p>
SIP	<p><b>The Economic Impact of Short Term Proposals for Increasing Aviation Capacity in London</b> (York Aviation)</p> <p>Co-funded jointly with London First, this work will review the ways in which London's air capacity could be increased in the short term, including mixed mode, surface access and regulation. <i>Target publication January</i></p>
EVENT	<p><b>Annual Research Reception</b></p> <p><i>March 2014</i></p>
FULL	<p><b>New Specialist Sources of Supply in the Social Investment Market</b> (tbc)</p> <p>This research, jointly funded with Big Society Capital, Big Lottery Fund, the Cabinet Office and Citi will provide an overview of the profile of potential investor groups, including pension funds, corporate foundations, and university endowment funds, among others. <i>Target publication April</i></p>
FULL	<p><b>Work-based Health Initiatives for City Workers</b> (University of Salford and Cavill Associates)</p> <p>A review of best practice internationally in workplace initiatives to support the health of employees, drawing on innovative examples in the City <i>To be launched at the health conference in April 2013</i></p>

## Topics being scoped

Full Housing in London

Full London Infrastructure Review

## Regular Publications

**City News Monitor** – A summary of relevant news, circulated weekly

## **Types of Research Publication**

- Full Reports** - Address an overarching research theme or set of issues in depth, incorporating new primary research or substantial review work.
- Special Interest Papers (SIP)** - Reviews of specific issues drawing on the views of experts.
- Policy Practitioner Papers (PPP)** - Focus on technical issues of particular relevance to practitioners.
- Topical Issues Papers (TIP)** - Brief explorations of current issues.

## **Contact Details**

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