

<b>Committee:</b> Policy and Resources	<b>Date:</b> 21 November
<b>Subject:</b> Supporting the City of London Corporation's Programme of European engagement: request for additional funding	<b>Public</b>
<b>Report of:</b> Director of Economic Development Director of Public Relations	<b>For Decision</b>

### **Summary**

The Policy and Resources Committee agreed at its meeting on 25 July, 2013, the recommendation of its Resource Allocation Sub-Committee that it will be necessary for the City of London Corporation to incur additional expenditure in order to fulfil the commitment to contribute fully to these debates about Britain's relationship with the EU. The nature of this commitment was outlined in the European engagement strategy and messaging agreed by this Committee on 27 June, 2013.

It is thus now proposed that additional expenditure not exceeding £150,000 be allocated for an expanded European engagement strategy in 2014/15, together with a pro-rata allocation of £50,000 for the remainder of 2013/14. This additional expenditure – to be reviewed in 2015/16 – would cover a programme of activities in three areas:

- an events programme designed to facilitate high quality debate about Britain's relationship with the EU among stakeholders in the UK, key Member States and wider international partners;
- a research programme designed further to develop internal expertise among Members and Officers about the issues relating to British-EU membership and the future of Europe; and
- a media strategy to publicise the work of the City Corporation on European affairs in the media of major EU Member States.

## **Recommendation**

Members are asked to agree:

1. additional expenditure not exceeding of £50,000 for the remainder of the current financial year for an expanded European engagement strategy, and additional expenditure not exceeding £150,000 for 2014/15, funded from your Committee's *City's Cash* contingency 2013/14 and 2014/2015 respectively.
2. that expenditure on individual specific projects be approved by the Town Clerk, in consultation with this Committee's Chairman and Deputy Chairman.

## **Background**

1. On 27 June, 2013, this Committee agreed that the City of London Corporation should take the following position in relation to the City of London, the UK and the European Union.

*The City Corporation supports and promotes London as the world's leading international financial and business centre. Access to the Single Market is a key element of what makes London successful, and means that it is not just the UK's but Europe's international financial centre.*

*The City Corporation's research, stakeholder engagement and opinion polling demonstrate that the majority of financial and professional services businesses support the UK's membership of the EU which gives access to the Single Market.*

This position informs our European engagement strategy and the key messages the City Corporation uses in its dialogue with political and business stakeholders in the UK and in other Member States. This engagement strategy has been supported by the UK government and business stakeholders who both agree that the UK needs to be more actively engaged in shaping policy in the EU.

In this context, the City Corporation's key messages for dialogue on Europe are fivefold:

- i. Promote London to policy makers as Europe's international financial centre;
- ii. Explain the role of financial services in supporting the wider economy;
- iii. Europe needs to reform to be competitive in the global economy;

- iv. Strengthen and complete the Single Market; and
  - v. The UK needs to be fully engaged in EU policy making.
2. The Committee also agreed that the City of London Corporation's strategy on engagement with Europe should be based on five key objectives:
- i. Greater engagement with EU institutions;
  - ii. Greater engagement with EU Member States;
  - iii. Dialogue around the City's role as Europe's international financial and business centre, and its role in the wider European and global economy
  - iv. Contributing evidence to the debate on the value to the UK of membership of the EU; and vice-versa; and
  - v. Working with third parties, such as think tanks, political groups and business organisations, to provide forums in which to make the case for the importance of the Single Market to the EU
3. In addition, the Public Relations and Economic Development Sub-Committee, on 2 May 2013, discussed the City Corporation's current stance towards the EU, with various views put forward on the merits of the current arrangements. In light of this discussion, it was recognised that a comprehensive set of statistics and facts about the level of importance of the EU and/or Single Market to business would be helpful to inform the City Corporation's position on these matters.
4. Prior to and since agreeing this strategy and these messages, the City Corporation has continued to enjoy significant success in stimulating debate across all parts of the political spectrum on the UK's relationship with Europe. Moreover, the City Corporation is successfully meeting its commitment for 2013 to engage directly with every EU Member State – both through a visit by Members or Officers and/or organising an event relating to the country in question.

Examples of this engagement include the Evening Standard Debate hosted by the City Corporation at Guildhall on 9 September; the Europe Day event on 23 May at which European Central Bank President Mario Draghi was the keynote speaker; the conference led by the European Council President Herman Van Rompuy hosted by the City Corporation in the Livery Hall in partnership with Policy Network on 28 February, which was attended by over 300 stakeholders; and, a roundtable hosted with the British Embassy in Warsaw in 2012. The City Corporation has received positive feedback from the participants at all of these events.

## Proposal

5. The debates about the British relationship with the EU and the future institutional direction of Europe are entwined and rapidly evolving; they are of the utmost significance to the future of the City of London and it is crucial that the City Corporation continues to make appropriate contributions to domestic debates on this issue. This Committee agreed on 25 July, 2013 the recommendation of its Resource Allocation Sub-Committee that it will be necessary for the City Corporation to incur additional expenditure in order that it can contribute effectively to these debates and fulfil the commitment fully to implement the agreed strategy and messaging.
6. In order effectively and expeditiously to implement the City Corporation's European engagement strategy and messages, it is proposed that an additional expenditure not exceeding £150,000 be allocated for an expanded European engagement strategy in 2014/15, together with a pro-rata allocation of £50,000 for the remainder of 2013/14
7. This additional expenditure would extend to a programme of activities encompassing events, research and media; these activities would complement the pre-existing work of the Public Relations Office, Economic Development Office, International Regulatory Strategy Group (IRSG), and other work performed in partnership with The CityUK.

Although these activities would be subject to change in light of policy developments in advance of the 2015 General Election, the following framework is currently proposed:

- i. Events

A programme of events would be designed to facilitate high quality debate about Britain's relationship with the EU among stakeholders in the UK, key Member States and wider international partners. This would include (but not be limited to) further developing an Anglo-French dialogue about how future reforms to the European Union would affect Member States and the role of financial services in growing the wider economy; working with financial institutions, think tanks and government in the USA to gauge a better understanding of the US approach to British-EU relations; developing a deeper dialogue about the future of Europe with German academia, think tanks and financial sector; and, continuing to stimulate debate in the UK among key stakeholders across a broad spectrum of opinion. Moreover, the additional

resources would allow the City Corporation to respond to ad hoc requests from the Foreign Office, or HM Treasury, to launch new policy initiatives or visit priority Member States.

ii. Research

A research programme would be designed further to develop internal expertise among Members and Officers about the issues relating to British-EU membership and the future of Europe. This would include targeted research on specific issues to facilitate the City Corporation's political contact programme, as well as additional expert policy support (internal or external) relating to the Single Market, the jobs and growth agenda, new types of economic innovation, and reform of the EU institutions. Moreover, the additional resources would allow the City Corporation to pursue any substantive, policy-related matters arising from the Ipsos Mori polling exercise currently being undertaken to ascertain senior business opinion in this area (the headline results of which will be available in December 2013).

iii. Media

A media strategy would be rolled out to publicise the work of the City Corporation on European affairs in the media of major Member States, especially France, Germany, and Poland; this strategy would extend not only to the print and broadcast media, but also to social media.

8. The events, research and media programmes would be subject to continuous internal evaluation. This would include monitoring media coverage, as well as organising focus groups of key stakeholders in government and business in the UK, France, and Germany in order to gauge how these stakeholders are responding to the developing debate.
9. This report recommends that additional expenditure not exceeding £150,000 be allocated for an expanded European engagement strategy in 2014/15, together with a pro-rata allocation of £50,000 for the remainder of 2013/14, which would cover expenditure on projects relating to the European engagement strategy to be funded from your Committee's *City's Cash* contingency 2013/14 (£50,000) and 2014/2015 (£150,000). In addition, it is recommended that expenditure on individual specific projects be approved by the Town Clerk in consultation with this Committee's Chairman and Deputy Chairman.

## **Financial Implications**

10. It is proposed that the required funding of £50,000 for the remainder of 2013/14 and the £150,000 for 2014/15 is drawn from your Committee's *City's Cash* contingency 2013/14 and 2014/2015.
11. The current uncommitted balance available within your Committee's *City's Cash* contingency 2013/14 and 2014/2015 amounts respectively to some £441,000 and £544,000, prior to any allowance being made for any other proposals on today's agenda.

## **Conclusion**

12. The City Corporation enjoys significant success in stimulating debate across all sides of the mainstream political spectrum on the UK's relationship with Europe, and is successfully meeting its commitment for 2013 to engage directly with every EU Member State. However, the City Corporation requires additional resources and financial support in order to contribute to these debates and fulfil our commitments via the European engagement strategy and messaging agreed by this Committee on 28 June, 2013. In order to implement this strategy effectively and expeditiously, it is proposed that an additional financial resources be committed to this work.

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