So good morning everybody and a warm welcome to this morning’s event to launch the City of London Corporation’s new report on London and the UK’s competitive strengths in a changing world. I’m Catherine McGuinness, the City of London’s policy chair. And I’m delighted to be joined by a really excellent panel of speakers, chaired by Brooke Masters, who you will all know from the Financial Times. Thank you to them for taking part in today’s discussion and I look forward to hearing their thoughts on what the future holds for London and the UK’s competitiveness.

I probably don’t need to with the amount of time we’re all spending on these calls, but I will start with just a little bit of housekeeping. Please be aware that this morning’s event is being recorded and will be shared on our digital platforms in the coming days. Please post any questions that you have in the Q&A box at the bottom of your screen, and we’ll try to take
some of them later on in the session. And if you have any technical issues, please post your query in the chat box and the technical team will try to assist you. And we encourage you to share your thoughts on social media using the hashtag #CompetitivenessUK. And finally, after this session, you will all receive a link to the report, and we're aiming to wrap up at around at 9:30.

And before I hand over to colleagues to tell you about the report’s findings, I just want to say a few words on the strength of London’s global competitive offer, and why this report is so important. We’re obviously living through a time of unprecedented change. And the changes that we see accelerated by COVID have impacted on all aspects of our lives, and how we communicate, how we work, how we learn, to how we do business, and we’ve all had to adapt. And for cities around the world, we have seen both challenges, but also opportunities. In London, our recent report, London Recharged, demonstrated the continued strength of our global competitive offer, and the clear opportunities that we have to be the undisputed place globally to innovate and collaborate, provided we build on our strengths. London is an important part of the UK economy, driving growth, jobs and prosperity. And the importance of that will be felt even more as we look towards driving a strong and sustainable recovery. We ourselves are working on a Recovery Task Force, drawing up a five year blueprint for the City Corporation for our key policies and activities to make sure that the Square Mile remains at the top of its game. And we know that the coming months are going to be difficult for businesses and households, but that now is the moment to look into the future as well as grappling with the present, to set out a bold vision for how we can make the most of the opportunities, and how we can use our strengths to adapt to the challenges that we face, and indeed remain a world leading financial centre. And that’s why this report is so important. It’s the first of what will be an annual publication, and it draws on a strong, wide ranging and transparent evidence base. And what it shows is the depth and breadth of the UK’s global competitive offer, and it explores areas for us to build on and identifies other financial centres around the world that we should be looking at to learn from. And for all the challenges that the world and the UK currently faces, it’s really clear from the research that we’ve carried out that the cornerstones of London’s success our fundamental strengths remain. Strengths like our innovative ecosystem, our openness and our global outlook, and our access to talent and skills. Strengths, which provided we tackle the challenges, will ensure that we emerge from
the current crisis better and stronger than ever. So I’d like to thank you all again for joining us today. And I’m now going to hand over to Laura Davison from the Corporation’s Innovation and Growth team to tell us more about the report. And then we’ll hand over to Brooke to take us on to the panel. Laura, over to you.

Dr Laura Davison

If you could spend today, anywhere in the world, where would it be? And why? How would you choose? Now maybe that’s an easy choice for one day or a week, somewhere hot? Somewhere, you’ve always wanted to visit somewhere that’s not your living room. But what about when you’re thinking longer term about where you want to live, to work, to start a business, raise a family, maybe even have fun? How do you make those choices? What makes somewhere a good place to locate? It’s something we spend a lot of time talking to people about from the business perspective. We’ve asked businesses how a London location helps them innovate and grow, asked new types of firms why they’ve moved into the city. We’ve talked to international individuals at different career stages about what London’s offer is to them. And we’re currently talking to firms about the challenges and the opportunities they’re facing, and how London can help them grow into the future.

And of course, we do this the other way round in our international engagement, talking to businesses about why they should set up in the UK, investors, why they should invest here, people why they should come and live and work here. And understandably, in those conversations, people want evidence. Prove it. Show me why you’re one of the best places in the world to do business. What does it mean for my company? Every major city in the world says they’re innovative, what’s so special about you? And those, of course are great questions. What is so special about London and the UK’s offer to business? How do we prove it? And what’s our evidence base? Now, this is a particularly interesting challenge at the moment, of course, when there’s so much global disruption and change. Pre-COVID London’s massive international connectivity meant you could go pretty much anywhere in the world, and anyone could come to you. With London’s airports reaching nearly 400 destinations directly, and with Heathrow as the world’s most internationally connected hub. And we know that connectivity overall is a hugely important factor in so many ways. When we’ve talked to companies about location decisions, being able to bring in clients, investors, colleagues, collaborators and competitors, and of course to be able to attract
and draw in a wide pool of talented staff from home and abroad. And the importance of connectivity goes well beyond transport and physical connectivity, of course, now more so than ever, when we’re seeing unprecedented levels of working from home.

Of course, the financial services industry was already one of the most used to working from home in the UK, around 40% of employees have done this pre pandemic. And the COVID transition has been done with relatively little disruption and remarkable adaptability - only 2% furlough rates in October, around 4% at peak compared with around 30% industry furlough averages. This means that aspects like our communications connectivity, and the resilience of our infrastructure are more important now than ever, which is great for London and the UK in terms of seeing this adaptability in practice, and we have very strong rankings in areas like cybersecurity, for example, and aspects like internet freedom. But Europe and the US do lag the Asian centres for mobile connectivity and broadband speeds. Our long standing advantages like our time zones support this virtual connectivity with the ability to communicate with centres across Europe, Asia, and the Americas within the working day. And this global connectivity, and the infrastructure that supports, it is so important for London, because it’s a truly global business centre, providing services around the world. So to understand and to benchmark how we’re doing, we can’t just look at our performance in isolation, we have to look at how others are doing as well, particularly now in the context of shared challenges like COVID, and understand what we can learn from others and how we can work together to think about how we build back better or find collective ways to address issues like climate change.

So in our report, alongside London and the UK, we’ve looked at New York, Singapore, Hong Kong, Frankfurt, Tokyo, all major global business centres with key roles internationally, as well as domestically. Six centres. Together the investment industries and these six centres manage over 60% of the world’s net financial assets, and handle over 80% of the world’s foreign exchange turnover. Of course, they all have distinct roles and strengths, which our report highlights. The sheer scale of the US population and economy over 330 million people, someone being born every nine seconds, means that in measures like assets held, it’s far ahead of smaller centres. Whereas the UK plays a really strong international role. 43% of that foreign exchange figure I just mentioned comes here, $3.6 trillion per day. UK based banks have cross border positions of $4.9 trillion, a trillion dollars of international bonds
issued in 2019, and global assets under management of $6.9 trillion. Those numbers are huge. And with numbers this large it can sometimes be hard to get your head around the sheer scale of them. That $6.9 trillion in GDP terms would be the third largest economy in the world. We have over 500 registrations for this event. It's like you each chipping in $13.8 billion to invest. So that global reach, function, size and scale of our financial activity is another critical dimension that we look at, which is very strong. This shouldn't be a surprise. London has been a world leading financial centre for many, many years. And we have many strengths that have developed over a long period of time.

But to paraphrase Yogi Berra, it’s tough to make predictions, especially about the future. It’s hard enough to predict the present right now. And so we need to understand which of our competitive strengths will enable businesses to thrive not just now, but well into the future. Which is why our report looks in depth at the ability to innovate and what supports this. Growth areas like fintech are thriving in the UK. In rankings, we have the most innovative fintechs in Europe and attract the most venture capital investment. And we’re behind only the US globally. There are of course, a whole range of factors that support this. Access to finance and global investors to enable growth, the FCA sandbox and pilot Digital Sandbox to support dialogue with regulators and experimentation. We have a domestic population that’s very open to using consumer fintech, an area of course that the pandemic’s accelerating. Even pre pandemic, 71% of UK consumers surveyed were using two or more fintech services to do things like budgeting, making payments, transferring money, savings and investment. And the UK is supporting global growth through mutually beneficial partnerships with centres like Singapore through our fintech bridge, the world’s first, enabling firms to develop and to expand into new markets. Or sustainable finance, where the UK is a leader in the issuance of international green bonds. And where very excitingly we can see direct benefits literally arising on the ground. TfL, for example, uses money raised through a green bond listed by LSE, to finance improvements like low emission, hybrid buses, and cycling infrastructure improvements. And, of course, at the heart of these new ways of thinking, and innovating, are the people who make this happen. And London and the UK have great access to talent. We have some of the world’s leading universities, the best in the world, 11 universities in the top 100, which develop skills both from home and internationally. And perhaps particularly in COVID times, it’s worth reminding ourselves that the vibrancy and the quality of life on offer is one of the key factors of that draw. Whether
your preferences lie in one of London's three and a half 1000 pubs, or you’re one of the 15.3 million ticket holders for London’s theatre performances in 2019. We need to be thinking about that whole offer to continue to be able to innovate.

So what does that whole offer look like when you bring it together, which is of course what our report does. You can see here the summary chart, which combines the data on the five overarching dimensions I’ve been talking about, innovation, financial reach, infrastructure resilience, people, the business environment. Using that framework, the report looks at the factors I’ve been talking about, and a whole lot more - 91 in total. Of course, this is just one chart, there’s a much wider wealth of data and comparisons in the report, and online on our global city site if you’d like it in a more interactive form, or to share it. And that’s theglobalcity.uk. Now, you can see here from the data, London and the UK come out ahead. Not because we come top in every dimension - we don’t. We lead in innovation, resilience, and business environment, and second in talent and financial reach. But what this also really reinforces and you can see here is the breadth of offer that’s critical, having that global connectivity, resilience, talent, access to capital, and ability to innovate, all in one place. Our report gives the evidence base to make those choices, where to do business, where to locate, and a compelling case for London and the UK. To go back to my original question, wherever you spend today, we hope this gives you and others some very good reasons to be here tomorrow and well into the future. Thank you.

Catherine McGuinness
Thank you very much for that, Laura. Thank you very much. That was really interesting. And now it’s time to hand over to Brooke to introduce us to the panel. Brooke, over to you.

Brooke Masters
Thanks so much, Catherine. What a really interesting report and the focus I think for those of you who are familiar with other rankings, the focus of this particular report of looking at the real key centres and what really matters to people abroad will really help everyone. What we’re now going to do is bring in our wonderful panel and get them to talk about what the report says for the areas of their expertise. We’re going to start with Miles, who is from TheCityUK and he’s going to give us the UK wide financial services industries perspective on the ongoing strength of the UK. Miles over to you.
Miles Celic

Thanks very much for that Brooke. And I’d just like to congratulate Catherine and Laura and the team on what I think is a really fantastic piece of work, and something that I’m sure will be enormously helpful to industry, to regulators to government ministers and officials when we think about the future direction of the industry in the UK in the years ahead. And I mean from the point of CityUK, we represent, we’re the private sector organisation representing the UK-based financial and related professional services industry. And this is a massive national strategic asset. And I think particularly as we look post Brexit as we look at the way that the global economy is developing and the challenges that are coming, it is worth reminding ourselves about how important this industry is to the UK, it is, you know, 2.3 million jobs, two thirds of those are outside the M25. We’re the most successful financial professional services exporter in the world, by some distance. 45% of the UK’s exports are services and that is the highest proportion in the G7, and financial services and professional services are a fundamental part of that. And one of the things I really welcomed in the comments that Laura made, and I’m sure Henri will talk about this in a bit more detail shortly, is the nature of London as part of a hub within the UK, an absolutely critical core to what we do in our industry. But if you just look at the, you know, the other major cities in the UK, you know, 50% of the exports, as well as two thirds of the jobs, come from outside London, in our industry. And you’ve got areas of expertise in asset management in places like Edinburgh, you’ve got Birmingham and Manchester emerging as fintech centres, Cardiff, Belfast, etc. So this sense of an industry that has constantly evolved and constantly shifted, and constantly adapted has been a strength for the industry itself, for customers, and for the UK.

And I think as we look at Brexit and we look at COVID, I think what’s quite clear is that what we’re seeing is an accelerator effect of trends that existed previously. And I’ll just close by saying that that is both an opportunity and it is also a risk. You know, the advantage that we’ve had here in the UK is that we’ve been able to adapt to circumstances hugely successfully down the years, both in terms of opportunities we’ve created, and openings that have resulted through actions that have happened, you know, examples such as the euro dollar market, or the opening of the single market in recent years that have driven the success. But we don’t have a god given right to success, we cannot be complacent. As
I’ve said, and others have said in the past, there are many examples of international financial centres that were the dominant financial centre of their time, one needs only to think of Venice or Florence, which are now no longer counted as great major international finance centres. So reports such as this, I think it’ll be really important as we think about how we lean into the future and continue to build the success of the industry. So I very much welcome it. And I look forward to the discussion. Thank you.

Brooke Masters
That seems like - thanks very much - that seems like a great moment for Catherine to come in and tell us what the City is hearing from international interlocutors, you know, what are firms saying?

Catherine McGuinness
So I think if you read the report, you see a lot of positivity that we’re hearing. But I think if you, if you look at the challenges, which I’d like to address, as well as the positive story here, there is I think, three sets that I would just look at, and one is the importance, I think of making sure that we keep up the pace Miles has spoken about the acceleration that we’ve seen, and the transformation that we’ve seen in the way that we interact. And I think it’s vital that we absolutely keep up with that, that we ensure that we meet the skills gaps that we see across the country in digital, that we ensure that our infrastructure is invested in properly so that we have the broadband speeds that we need to keep at the top of our game.

So that’s one area, I think the second thing we’re hearing is the importance of making sure we have a vibrant place. We’re going to need to prove to people why it’s important to remain in a physical place, and not just work virtually, especially in a world that’s moving more and more towards the digital. What we’re hearing is there is still a wish to be in a central place. People do want to get together to collaborate, they do want to get together to be able to draw on that rich ecosystem that we see demonstrated in London. But we are going to need to look very carefully at what we’re doing to make sure that that remains attractive and vibrant after the challenges that COVID has placed on us really.
And then finally, it would be wrong not to reflect on our departure from the EU and what we’re hearing internationally about that. And we know from that in the context of UK-EU negotiations, financial and professional services firms, despite being a vital part of the UK economy felt that they were being overlooked. And of course, we have seen some rebalancing of businesses as a result. And people are asking us what that actually means. Now, there are two things I would say here. First, as far as our EU partners are concerned, I think the fact that we now have a trade and cooperation agreement in place is very positive news. And that’s something on which we can build to develop a new, different and more normal relationship as a separate autonomous state with the EU than we’ve been able to talk about over the last few months. But I think the second thing I would say on that is, of course, London is about so much more than just that, it is a global connector to so many services, and we hear continued wish to take advantage of those. And there is just one thing I’d like to say, finally, the other thing that we hear, and that we see is that the challenges that we now face, and that there are a number of common global challenges, whether it’s the recovery from COVID, or whether it’s the climate challenge that we all need to meet, this is a time when we should be working together on meeting those challenges, and London is tremendously well placed at the services it has to offer with its regulatory framework and so on to work with others in meeting those challenges. Thank you.

Brooke Masters
Thanks, Catherine. I think that’s actually a great moment to bring in Richard, who’s at HMT. What does the Treasury see as the opportunities and challenges that our international policy needs to address?

Richard Knox
Thank you, Brooke. Good morning, everybody. Well, first, I’d just like to join Miles in congratulating Laura and Catherine and the team on this really excellent report. It’s absolutely fascinating. And I won’t repeat all of the points that Miles made on the absolutely central role that this sector plays in the UK economy and will continue to play. But focusing on your question around policy, that clearly across the areas that this report talks about government policy is going to play a central role, whether it’s about making the UK and London a great place to live, to work to set up a business, to hire talent, and to
make a reality of new and innovative business ideas. But on my particular patch, which is regulatory policy with regard to financial services, I think I’d draw out two themes.

Firstly, as has been said already, the historic role of London as a global international financial centre is absolutely central to the success of our sector, and we can’t and shouldn’t be complacent about that. We need to think about our role in working with other jurisdictions to support London’s place as a global financial centre. We have an open regulatory system, but we need to think about what that means moving forward. That means normalising our relationship with the EU as already been mentioned, but also critically forging new links. The report, I think Laura talks about fintech bridges, there’s lots of things we’re doing, lots of things I could talk about, whether it’s within our neighbourhood looking to forge unprecedentedly deep mutual recognition agreement with Switzerland or deepening our relationship with the rest of the world, for example, building on what we’ve agreed with Japan recently as part of our FTA. So that’s one set of issues. The other thing I would draw out is on broader regulatory policy, and this is a highly dynamic sector, and the UK needs to be ahead of the curve in terms of robust and enabling legislation to safely foster innovation. We talk about sandboxes, that’s mentioned in the report, but finance is going to play a central role in climate policy, and the UK needs to be at the heart of sustainable finance. But also at the heart of driving technological change, and we have various work the Chancellor announced in November. So we’re doing a range of things here. I suppose the final thing I’ll alight on as an example, is we’ll be able to check another box, hopefully this year in your reports, Laura, by issuing the first the first green gilt in the UK, which will be exciting.

Brooke Masters
Thanks so much Richard, just a reminder to the audience that there will be a Q&A later on. And so if you would like to join, get your questions in now, get them in early, so I can ask the panellists for you. Next, we’re going to go to Henri, who is the director of the Northern Powerhouse, and he’ll give us the perspective from outside London.

Henri Murison
Thank you so much, Brooke. And I think the kind of the ‘starter for ten’ for me is where Miles left off, really, which is around the points about London’s role in driving financial and
professional services across the UK. And I think there is a kind of a misunderstanding, I think, by some people around the levelling up debates, that somehow British economic growth is a zero sum game, that what’s bad for London is good for the north or the Midlands, and vice versa. And obviously, that’s a very reductive and idiotic view of how economics actually works. So the principle actually is that the north and particularly plans to grow the north’s economy transformationally, rely on a successful London and in particular, the success of financial professional services. And I think as Miles was kind of also suggesting, there is a kind of an economic tie, right. So this is a point that in the UK single market we don’t talk enough about, which is the importance of being able to move economic activity around the UK, and to be able to then compete globally on the back of those shared strengths. And so the success of London, attracting major international investors to the UK in financial professional services, has created employment outside of the capital and economic benefits. And so beyond just the tax base that is generated for the Treasury from the industry, which I think is talked about and understood very widely in the wider public discourse, we don’t talk enough about the competitiveness benefits to the wider UK economy. And so service employment, specifically where it is high value, does have value for the sectors and our Northern Powerhouse Independent Review, which was published a few years ago now, made very clear about the role of financial and professional services as an enabler to other key sectors, in our case, things like energy and manufacturing, which don’t occur within Greater London in any particular prominence.

And so I think the kind of nature of a more successful and more productive UK economy is it cannot happen unless you maintain our position globally in financial services. And that will only happen if the City thrives. But there is also a particular opportunity around how financial professional services plays its role in wider economic development in the UK. And that’s as much about the commercial opportunity for the City to maximise its impact and its ability to deliver more, both for its own balance sheets in terms of investable propositions, but also in terms of enabling that greater distribution of tax base, because I think what we would say, from the North of England perspective, if you think about this in a long term way, is we don’t think it’s very healthy for the UK economy, in particular, for public services, to be so dependent only on income that comes from financial professional services, because that isn’t healthy for the industry to be such a significant part of the tax base alone. And so it’s not that FPS should be contributing less, it’s that other parts of the UK economy needs to
contribute more, and a more productive North of England in particular, would help to deal with that fiscal transfer issue. So Greater London and the South East obviously rely on talent from across the UK. But they also do pay in a lot more in regional terms to the Exchequer, at a collective level, particularly if you look at the business taxation rather than personal or property tax. And so I think our kind of reflections on this work would be that we want to grow the competitiveness of the UK post Brexit, we all want to do that. We think that the North of England being more productive is a key part of that. And we need London to continue to attract international businesses to the UK, because very many of them once they’re here, look to diversify and strengthen their presence, which does include sites outside of the Square Mile itself. And those may be in other parts of London, but they may also very likely be in other cities.

And so kind of picking up where Miles was around disruption, there are particular segments, like around payments, for instance, where those are not really in the capital at all. And much of retail banking is also not in the capital. So there is already a significant distribution of activity which doesn’t require being in the City and FPS outside of London. And I think that diversification where London can continue to attract things that can only be in global centres, but the rest of the UK improves its attractiveness for activity which could in theory be anywhere actually, but is actually more likely to stay in the UK because of the success of the City as a brand, but also as part of the institutional framework that makes having an FPS presence in the UK a more attractive proposition.

**Brooke Masters**
Thanks Henri. One of the things that the report highlights is just how important London and the UK’s innovative eco structure is, the ecosystem, and Natalie Ceeney, who’s from Innovate Finance, which represents the fintechs mostly, is the person I think we should turn to, to ask you just how do we keep that going? And how do we make sure London and the UK are all attractive from an innovation point of view?

**Natalie Ceeney**
You’re absolutely right. I mean, talent and innovation are absolutely core to Britain’s success so far, which is what this report highlights and of course, talent and innovation go hand in hand because it’s people who develop ideas and make them happen. And actually, as a
sector, we’ve been incredibly successful so far in attracting the best people to come and innovate in the UK. 42% currently of all employees in fintech were born outside the UK. And they come because we’ve got a regulatory framework which sees competition as an objective. And because the UK represents a melting pot, bringing together culture and creativity with world leading financial services know how. But as others have said, to keep this mantle we need to keep developing. And what this report highlights and we see very clearly in fintech is that other countries, France, Australia, Singapore, and many others are working really hard to become leaders in fintech. But I don’t believe there are many markets which can challenge what the UK has fundamentally in terms of scale, regulation, talent and inherent creativity. But as others have said, and what this excellent report highlights, we’ve got to learn from what others are doing, so we can march ahead and not be complacent.

So I’d like to highlight three things, which I think will make a big difference. The first is coordination and focus. And if I look at other markets and there’s one thing I envy above else, it’s a common focus on some shared goals. And the good news is we’ve got Ron Kalifa’s review on fintech, which was Treasury commissioned, heading our way soon, which should hopefully give us a roadmap for financial services innovation, we can all align behind. The second I’d say which, again, others have mentioned, is simplicity. One thing innovators hate above all else is wasted time and unnecessary bureaucracy. And if it takes too long, or it’s too complicated to fill in forms to hire talent in the UK, people will hire it elsewhere. So let’s make it our goal to have a really simple, streamlined way of hiring the best talent out there as well as growing our own. And also simplify our regulatory processes, our tax system, our listing regime. And that’s not about lowering standards. It’s about reducing bureaucracy. And the third thing I say, which Catherine’s already mentioned, is this is a wonderful opportunity to invest in infrastructure. COVID has highlighted clearly that not everyone can yet participate in our digital economy, and investment in some of our digital infrastructure, whether it’s universal fibre broadband, or digital ID would both support a levelling up agenda and progress, innovation in financial services, really, for the benefit of the UK as a whole.
Brooke Masters
All sounds very good to me. And I certainly would like better broadband in my house. I
don’t know about the rest of you. This one, I think is the moment perhaps to look to get a bit
more perspective from abroad. Laura Citron, CEO of London and Partners, which promotes
London to the world, and I'd be interested in hearing about how do we continue to make
the UK’s offer competitive with all those other centres that are trying so hard. Laura, you
want to come in?

Laura Citron
Thanks so much Brooke, and I'd echo the other panellists on really congratulating the City
of London team on a on a fantastic report. As you say, Brooke, our role is to focus on
inward investment for London, and we particularly work with fintech start-ups, scaleups,
challengers, the innovative parts of this industry that Natalie's been talking about. I think
there are two things that we see is really important for our continued success. The first is
about getting them early. And the second is about values and purpose. So getting them
early, these businesses grow very, very fast. So we have to know them before they become
huge. So we have teams that are in the fintech centres around the world, really
embedded in those ecosystems. And they are essentially our talent spotters for London.
Who do we think is going to be the next big thing, and we'll often know a business for
several years before we bring them into London? And then how early can we get them to
come in, because what we want to do is to capture that growth. So we need to bring
them in early so that those that are going to really fly and be our future unicorns come in at
an earlier stage as possible. So that's the first thing, we need to get them early. The second
thing is around our values and purpose. These businesses are typically owned and led by
their founders with VC backing. So the choices that they make about location are really
personal. They’re often relocating themselves, but they certainly feel very personally tied up
in the fate of their businesses. And this generation of founders, yes, they care about profit,
of course they do. But they also care hugely about mission and impact and values. And
they want to feel that they are building a business that makes a difference in the world.
And that's somewhere that London has a really positive story to tell. We have really strong
values in this city around inclusion and diversity. We're very open minded. And that's
something that we find really resonates with particularly these younger founders of these
earlier stage companies.
So just to give you an example, we are bringing in next month, a mission for the first time from North America of LGBTQI founders. We went out into the market and said, who’s thinking about expanding to London who might be interested in finding out more. it’s a virtual mission, of course. We’ve been absolutely overwhelmed. We have five to one applicants to places on that mission, because it resonates with people as human beings. And that is so important for this generation of founders. So I think when we’re looking at our own investment story, of course we need to talk about the sort of hard factors, we need to talk about tax and policy and regulation, and red tape and skills and talent. Yes, those things matter. But we mustn’t be shying away from, we mustn’t be embarrassed to talk about our values, and what differentiates us from a mindset point of view, because it makes a huge difference to those kinds of companies, and it is a genuine competitive advantage for London.

**Brooke Masters**

Thanks so much, Laura, I think we’ve now got the moment to bring in the entire panel. And I can see that lots of you are putting questions in the Q&A. If you put it in the chat, can you move it to the Q&A? Because it’s just easier to see all the questions in one place? I think the biggest thing that seems to be exercising the Q&A folks is, you know, what can we do? You know, what, what kinds of policy changes? What kinds of strategies from the government, which might be a moment for you, Richard, or from TheCityUK, what can make London continue to be attractive, particularly in an era when some of our advantages, such as the fact that you can have really cool co-workers and be with them are somewhat diminished because of COVID. So I’d be really interested, perhaps, Richard, can you quickly jump in on what you think the government can do right now? And then some of the others, do let us know. Like, if you had to pick, they’ll go on and on rabbit on, but give us you know, one thing that would really make a difference?

**Richard Knox**

Yep. Thanks, Brooke. So I think from our perspective, I thought it was interesting. And I saw in one of the Q&A people talking about if you look at the historic success of the city, it was built on, you know, certain specific things that only the UK could do, and it talked about the euro dollar market. I mean, I think from my perspective, and I also saw people mentioned Lord Hills listing Review, as well, I think you know, what we can do, and I really liked what
people were talking about here about the simplicity of regulation is to make it make the regulatory structural framework, easy to build on a set of existing strengths. And that's exactly what the listing review is about. I don’t know what Lord Hill is going to recommend. But I think we're certainly excited about what he's going to what he's going to say to us. And as I was saying, I think, yes, a whole bunch of jurisdictions, and I'm sure all the competitive jurisdictions in this report are trying to jump on the train of sustainable finance and, fintech. But there’s a reason for that, that those are going to be a critical determinant of future success. So I think, as I said, in my initial remarks, what we need to do is make sure that we have some of the best regulators and expertise in the world. And we need to make sure that we're ahead of the curve and making sure we have a regulatory structure that supports innovation in the UK.

Brooke Masters
Who else would also like to jump in. Maybe, ah, well, everybody, Natalie why don’t you go?

Natalie Ceeney
Can I raise two, one is around uniting around some common goals. We haven’t got unlimited bandwidth, people are very busy, and the system looks very fragmented at the moment, a lot of people are focusing on lots of different things, if we can unite behind some really common strategies. And in fintech, I think the Kalifa Review should be one of them. I think putting all our energy behind a few things will make a phenomenal difference. And the second, I’d say and it's come up a couple of times here is infrastructure. The fact that we are in the mid-tier in the world on broadband, we don't have digital ID there are going to be drags on our progress. If we can sort those and this feels like a good moment, we will help levelling up, we will help bring the whole of the UK with us, and will also enable innovation to progress far more quickly. I mean, I don't know what the NPV is on those investments, but I can imagine for Britain's economy in the long term, it will be a very high return.

Brooke Masters
I think Miles?
Miles Celic

Thanks. Just three things very quickly for me on this answer. And Natalie’s very much touched on this sense of shared goals. I think partnership, there has to be partnership between industry, government and regulators. And this is something I think we’ve all been calling for in one form or another for ages, some sort of body or shared view, and actually it’s something that we hear from countries outside the UK, countries that want to trade with us and deepen their relationship. It’s what is your vision for financial and professional services, because once they have a sense that there’s a sense of which those can mesh together, integrate and can work together. And secondly, high standards, and I think most of the panellists, all the panellists have already touched on it. There is no future for London or the rest of the UK industry in some kind of race to the bottom. It isn’t about deregulation. Some people have said it’s about re-regulation. So how, and I really like Natalie’s point that this is about reducing bureaucracy, but not about reducing standards. How can we do that, and I think that also attracts people for you, we’ve got to continue to be an aspirational place to be. And that helps to attract businesses, it helps to attract people, you end up with a virtual virtuous circle. And then the third is innovation and flexibility. You know, our advantage within the EU was that we were part of one of the world’s biggest single markets. And we had scale and that helped with trade, that helped with attracting people, that helped in a range of areas, we’re not going to have that. And trade in many ways is either a scale game or a nimbleness game. And we have to be nimble, we have to be flexible, we have to be innovative, tied to high standards, and tied to a shared vision between industry regulators and government.

Brooke Masters

Anyone else want to jump in? Otherwise, there are a boodle of questions! I think, well, why don’t one of the ones I thought was very useful was what can we learn from the competitor jurisdictions? You know, if you look at Singapore sandboxes or what China’s allowing with fintech, although now they seem to be cracking down. Who would like to come in on that? Maybe, Natalie, but let’s make sure others get a chance to talk too. If you had, again, you know, what, what one lesson would you take home?
Natalie Ceeney
And what's really impressive, Singapore is a very good example. And it builds on what Miles has just said. And it's a very small jurisdiction, but what it's done is joined up the regulatory approach the government approach the industry approach, so they are working together. And all the effort is going towards making Singapore a brilliant place to do fintech. They've also invested in infrastructure, so that essentially, what they can do has low friction. For me, that's one of the biggest lessons actually when I look globally and things I admire, and things I would love us to do more of.

Brooke Masters
Who else? Who else would like to give us some international perspective? Anybody? Nope. Okay. In terms of other things that seem to be exercising people that the Biden administration and the EU seem to be making life more possibly making life more difficult for UK firms trying to go outbound. What should we do? I know Miles just said we shouldn’t race to the bottom. But do others have a view on what what's the best response? Who'd like to jump in? Miles clearly still have some views so Miles jump in.

Miles Celic
So the US relationship's a really important one for us. And I'm absolutely delighted that Catherine McGuinness chairs the UK side of the US-UK, British American Financial Alliance, so we have a group of 20 trade association business groups that sort of come together led by CityUK on the one hand, SIFMA on the other hand, looking at what we can do in this kind of space, and Bruce Carnegie Brown of Lloyd's of London, sort of oversees our work on this at CityUK. And the Biden administration, I think, is a huge opportunity for us. So there's a huge degree of interest when you talk to the guys over there, in industry and in government, about what progress they can make in green finance. And they look to the UK as a real opportunity to learn because they recognise they're behind the curve on this. And they have been for a number of reasons. But there's a real appetite from consumers from industry, and now from the US, the new US administration to make progress on that. So it wouldn't at all surprise me if in the talks around the free trade agreement between the UK and the US, this becomes more of an issue more of an area of cooperation than it may have been just a few weeks ago. And then on data, so data, digital, this whole area is as important, if not more so as capital is for our industry these days, there was an EU/US Data
Privacy Shield, that has fallen by the wayside for a number of reasons. I think that gives us an opportunity to work with the US on what we can do to put our own UK/US data privacy shield in place. The EU/US one didn’t cover financial services, so why not look at what we can do in this space between the UK and the US. And just one final point on that. The report absolutely rightly identifies New York as a competitor in some form for London and the rest of the UK. But that relationship is one also of cooperation and collaboration. You know, we sort of pass things, in simple terms, we pass the baton as the sun moves across the earth to New York, we pick it up from Asia. But there’s a huge degree of shared, shared agenda, companies that are present in both of those markets, and so I’m actually really excited about the possibilities between the UK and the US.

Brooke Masters
Thanks so much. I think this might be a good moment to think about what COVID and working from home has done in terms of London and also the regions. For one for Catherine and Laura, I’m interested in whether you think it has reduced the need or interest in in having a presence in, a large presence in London. And then already what, what opportunities does this present for the regions? In terms because the audience is interested in whether the regions have always been seen as sort of a back office retail place? How much more spread will we get? So why don’t we start with Laura? Maybe? I think you need to unmute. Thanks.

Laura Citron
I wasn’t sure if you meant me or the other Laura, there are two Lauras on the panel, but I’ll go for it. And I think what we’re hearing from people is that the concern is that, of course, there are lots of issues around workplace culture and engagement and all those kinds of things. But I think from a London ecosystem point of view, the thing that concerns me about very large scale co-working is what it does to our innovation ecosystems, and the relationships between larger companies, and then the start-ups, innovators, universities, because one of London’s real strengths is around open innovation. So the fact that our big organisations collaborate a lot with our smaller ones. And that is very rooted in place. It’s very rooted in innovation clusters in the City of London or other parts of London. The question that we have to ask ourselves is, how do we replicate that? Or how do we invest much more proactively in open innovation to make sure that that’s still happening, you
know, those meetings and coffee shops bumping into each other, the meetups? If you're, if we don't have that, what do we do instead? So earlier this year, we launched an open innovation fellowship, which is all about helping larger organisations to make their open innovation more effective and more inclusive. So we take senior innovation leaders from big businesses in London, and really help them to understand the structure of the innovation ecosystems in London, how they can best tap in to the start-ups and scale ups, universities and researchers that are the most relevant to them. And I think that kind of work, being very proactive, and quite interventionist about innovation will really matter in a world with a lot more virtual working.

Brooke Masters
To break it up, I want to hear Catherine’s perspective. But why don’t we let Henri do the regions? And then we’ll go back to London? Henri, can you tell us what you think?

Henri Murison
I think, I mean, I alluded to kind of the lack of zero sum games earlier. And I think this is the same issue, right? So people have always lived and wanted to live in different places, right, to necessarily where they work. That's always been very difficult for people, I think it's probably easier now, to make locational decisions around the UK less arbitrarily, if that makes sense, because habitual commuting patterns will probably be less dominant as a cause for people to relocate. I think though, people are still going to want to go to London the same way people still want to go in cities like Manchester and Leeds. So it's not like cities are dying. I mean, anyone who thinks that the people are sitting in their jim-jams forever is I think, living in cloud cuckoo land. I think it however, does lead to a more collaborative approach, right? So many more businesses will be able to have a presence in different cities around the UK, potentially quite small ones in places they currently aren’t in, to enable their colleagues to come together and collaborate where it makes sense, rather than particularly drag people to London for meetings, for instance, I think that culturally is going to go away. Does that make sense?

Now, I don’t think that really is disadvantageous, because actually, I think there’s lots of economic activity that happens in the capital, that benefits the rest of the UK, that actually displaces internationally more interesting activity if that makes sense. So if you allocate all
of your resources to be a kind of a collaboration space, that doesn't necessarily need to be
only one that does crowd out other activity where you could globally do that. And I think
that there is a kind of an opportunity, I would argue from London's perspective, to better
orientate itself to the higher value activities that are genuinely global in nature. Because I
think that is its strength. And I think that's also where its cost base stands up the best. And so
we're made up of lots of businesses, right, that have presences and operations in London
and outside the north of England, as well do both. And I don't think that that is going to
change. And there are lots of organisations that genuinely have a national footprint, have
a national business model, they'll make this work for themselves. If that makes sense.

But anyone who thinks I mean, the numbers yesterday around occupations in the city,
some of the initial signs that I think were in the Standard are very good. I think that
demonstrates that a more sensible approach to allocating office space based on where
people want to work isn't going to be the death of organisations being based in London.
anyone thinks that having a touch point, whether it be in the Thames Valley or in Leeds is
going to damage businesses is wrong. And there are already lots of global firms that have
significant not just back office functions outside of London, that has not weakened
London's presence globally. In fact, the fact that you can get good talent further afield,
but still in reasonably close proximity is an advantage for London, not a disadvantage, and
anyone who sees it in the other way, I think, is probably really misunderstanding how the
economy already works in this country. And I think that that kind of dawning on people I
think, is starting to become a bit more widely understood.

**Brooke Masters**

This might be a good moment to bring in Catherine speaking for the City. While you're
answering there's a question from the audience as well about the role of professional
services, because that's the other big presence in London, perhaps a little bit less than
some other parts of the UK. So you want to bring in that, that will be helpful.

**Catherine McGuinness**

Well, first of all, I agree with everything Henri has just said, I think they will certainly see
change in the way that people are using their offices. And I think we need to go with that
we need to build on the advances and different ways of working that we've seen. But as I
said before, we’re still hearing a great wish to have the central and collaborative places. And I think in fact, from London’s perspective, this gives us a great opportunity to widen the talent pool available to us by drawing on the skills from across the UK, people who can work remotely or want to come in for just a few days. And I think it will make it easier if we build on some of the lessons we’ve learned to work in greater partnership. So I think there are really great opportunities out here. But we need to invest, we need to invest in the skills as I mentioned before, we need to invest in the infrastructure and we need to learn how to build, how to maximise, how to build on all that.

Now, I’m glad somebody has brought up the professional services firms, they’re actually not just a London strength, there are huge centres elsewhere at Birmingham, Leeds, we could name all the big, many of the big centres, they, like the financial services sector, they haven’t had enough focus, I would say over the last couple of years, we need to see our government recognising the strengths that we’ve got in that sector. But for the firm’s themselves, I think there’s a huge onus to keep innovating. We’ve seen some fantastic things happening with lawtech over the past year, which I think has really moved that on how firms and how the legal sector uses tech, it’s really accelerated that. I think there is an onus on all of us to be more inclusive, as we draw on talent not only inclusive on where do we draw the talent from geographically, but on drawing on all the skills that that we have, I think we all know that there are still great gaps in our employment practices where people are not progressing as they ought to. And then I think when it comes to what the firms can do, which I’ve seen in one of the of the questions, what the firm’s themselves can do, besides innovating and being inclusive, I think identifying the challenges that we’re facing and really shouting out for them and what the solutions might be. And again, I could be very boring and talk about the legal sector, which is my sector by background. But we know that there are some issues that need resolving, some issues left over from our departure from the EU, for instance. So letting us know what the solutions are, and helping and helping collectively to advocate for them, I think is something I’d asked them to do.

Brooke Masters

We’re coming to the end of the panel, but it seems to me that does seem like a good moment to bring in Richard again, it’s the government I think that people would want more clarity from and in international negotiations for not just professional services, but other post
Brexit things. Richard, can you give us a bit of sense of what happens next? And you know, what you what is realistic to expect?

Richard Knox
Yeah, well, look, my time and the time of my team in the Treasury is going to be pretty busy in the next few months and years, because there’s a whole broad range of things we’re looking to, we’re doing as I was, as I was saying earlier, to foster new relationships across the globe, we have, we have our free trade agreements, which obviously within the structure of a WTO agreement, services doesn’t tend to be huge, but what we’re doing is using the structure of free trade agreement to build regulatory cooperation, whether that’s going to be with the US or Australia, we’ve just done it with Japan. As I said, we’re building a new kind of structure with Switzerland. And with the big emerging economies, we have our ongoing economic and financial dialogues with China, India and Brazil. So our absolute focus will be to use those kind of dialogue structures and arrangements to build the role of the UK and the City in serving those markets and allowing those markets to come to the UK, and, and do business. And then we’re doing that in the context of, as I was saying earlier, technological change.

And I think particularly the climate crisis and sustainable finance, and doing what we can to build a UK as the place where people come to foster those ideas. And the final point I would make is, is part of those conversations, and people were talking, I think about where’s the Biden administration going to go and where’s the EU going to go on regulation. From our perspective, international standards are absolutely critical in building structures that allow cross border activity to be done with confidence on both sides. So we will continue to be hugely active within the multilateral fora within the FSB, with IOSCO and in other areas to help expand the remit of financial, international standards, and use those as a platform to build and build access across jurisdictions.

Brooke Masters
I think we’re coming to the end of our time, although I think everyone has lots more to say, and certainly, the Q&A is just packed. And so I would suggest the City do more conversations like this, because there’s clearly a lot of people interested. But I think just to sum up what I’m hearing, it sounds like, the places where there’s a lot of agreement is the
need to foster innovative, innovation by making, by having good international standards that are not raised to the bottom, by working with other jurisdictions, that it shouldn’t be seen as a regional competition that, you know, successful London and successful regions can build off each other rather than competing. And you know, and there is a sense of enthusiasm, and also optimism, and that, look, London’s reinvented itself any number of times, and it’s obviously in the process of doing it again. And I think you can see it in the questions as well. It can be done. And I think, you know, when we all get out of our bedrooms, and we’re, maybe even while we’re still in them, it will be it’ll be very fun. And it’s very exciting to see all this and watch London compete. And so I’m gonna hand back over to Catherine, who is going to sum up and close.

Catherine McGuinness
Thank you. Well, I think you’ve just summed up really well, Brooke. And actually, I share that sense of excitement. We have so many challenges at the moment. But we also have great opportunities here. And I think 2021 is potentially a fantastic year with our G7 presidency and COP26, coming up, Richard, to look to the question about international standards and how we talk with partners. You know, with the Kalifa review just coming out, which I hope will give us a great roadmap on how to boost that tech sector which is so important across the UK. So, look, it’s been a really interesting discussion with our fantastic panel. Thank you all very much for joining us. And to all of you who’ve called in, yeah, I think we’d love to do more of these discussions, actually. And I’ll take that away with the team, you’re certainly at, you’re shortly going to be receiving a link to the report. And I encourage you to share it through your networks. And I think I’d just say, you know, this really is the moment when we need to be planning for the future, we need to be building on those exceptional strengths, which this report highlights and investing in the challenges which some of which the report also highlights. I very much hope that this research is useful both to our London and UK partners. And we look forward to working with all of you as we seek to emerge from this challenging period better and stronger than ever. So thank you all very much. I hope that’s been an invigorating start to your days. Thank you.