



City Banquet

Mansion House

Thursday 27th October 2022

The Rt. Hon The Lord Mayor of London

Alderman Vincent Keaveny

Your Excellencies, My Lords, Fellow Aldermen, Sheriffs, Ladies and Gentlemen, it is my great pleasure to welcome you to the Mansion House and to the City Banquet – the first City Banquet since lockdown!

Mansion House Scholars

Before I continue, I would like to give a special welcome to our Mansion House Scholars, selected for their outstanding talent, these young people come from across the globe and are here to undertake training in the field of financial services.

They have achieved so much to be here, so let's give them a true City welcome! I would also like to welcome you Nikhil and you, Sam. Thank you very much for joining us this evening.

Your Year & Recent Events

Ladies and gentlemen, this banquet always comes at a reflective time of year for a Lord Mayor, as I have just over two weeks left on the Mayoral clock.

It has been the greatest honours of my life to be an international spokesperson for your sector, selling the United Kingdom across every continent in the world, although I haven't quite got round to Antarctica just yet.

In the boardrooms of Japan, in the Fintech Accelerators of the Americas, in the offices on the busy streets of India – I have felt the genuine respect, warmth and friendship of our international business partners.

Most of all, they appreciate that through our expertise in financial services and regulation, they can help fund projects which will change their countries forever.

The previous government we welcomed last month had been rigorously focused on improving this sector and stimulating growth, but the global markets balked at its unfunded financial plans to achieve this, and our economic foundations shook.

Events like this have a palpable effect on growth.

As Ben Bernanke, one of this year's Nobel Prize winning Economist pointed out, during the economic uncertainty of the early 1930s in the United States, banks gave fewer loans to businesses and ordinary people. This meant that the national infrastructure the Americans needed at that time – new roads, sanitation, energy production – was put on hold and people put their money elsewhere, instead of spending it which only added to the depression.

New Government and Regulation

Earlier this week we welcomed a new Prime Minister – with a focus on growth and creating a vibrant economy through sound financial planning and the City of London Corporation will support him and his Cabinet in making this a reality.

Regulation is, undoubtedly, a core part of this story.

It provides reassurance for consumers, and focus for investors – just look at our sustainable finance and tech sectors: regulation defines what products are on offer, and what services investors can support.

Without regulation, no one knows what they're investing in. It would be like buying an unlabelled tin can from the supermarket. You just hope – through luck – that there's something you can eat in there.

Rather than being a barrier, regulation is a key enabler of growth.

The UK gains competitive advantage by having high standards...

...think of the FCA's Regulatory Sandbox, which helps innovators test their products before releasing them.

Its support like this which helps our entrepreneurs provide services that are exported around the world.

After leaving the European Union, the image in the popular imagination was one of a bonfire of regulation. I want to stress that we're not going to be setting alight to any swathes of financial regulation tonight.

But we must ensure that we take the best of what works from all around the world and we use that to improve our own system, such as like increasing the speed of FCA authorisation turnaround times which will, in turn, require increased capacity and resources.

Financial Services and Markets Bill

The City of London Corporation has been working very closely alongside the Government on their new Financial Services and Markets Bill.

Alongside our Policy Chairman, Chris Hayward, I have been discussing this Bill with Government representatives ever since it was introduced, especially the secondary objective focused on supporting growth.

Now, I am sure the Nikhil and Sam are going to touch on this point during their speeches, but I know that the City Corporation is absolutely behind this measure.

Importantly, it also makes clear that consumer protection and financial stability should remain the clear primary focus of regulators.

I think it's right – considering our financial services sector employs over a million people and is responsible for almost ten percent of the UK's economic output – that we have a responsibility to build on our foundations.

Indeed, it is the core responsibility of the office of the Lord Mayor to ensure that this sector does grow and remains competitive.

That's why I have spent my year ensuring that more people invest in our financial services. Time does not allow me to detail all this work tonight – so let me focus on two points specifically.

Global Investment Futures

The first is through promoting the Global Investment Futures Campaign, which I have been delighted to promote throughout the world.

It tells the story of our asset management industry and its huge pool of high-skilled financial specialists, as well as our unparalleled business environment, and the regulation that makes this sector a success.

This campaign's aim is to double UK assets under management by 2030. Yes, it's a bold destination, but I believe in the journey we can take together one which we will promote in March next year, as we host the UK's Global Investment Management Summit, I invite you all to join us.

Progress Together

But that's not the only invitation I'm offering to you this evening, because I also want to invite you to join my campaign to improve the socio-economic diversity of our financial institutions.

Through our new membership body 'Progress Together', we are ensuring that the leadership in our financial sector represents the breadth and depth of diversity in our country.

We know the UK has one of the poorest rates of social mobility in the developed world.

In the financial services sector, this is particularly acute, especially in senior roles.

It takes working-class employees 25% longer to progress than their middle-class counterparts, with zero link to job performance, achieving in five years what someone else

achieves in four.

So, the financial services sector is not attracting, let alone benefitting from, the talented workforce which it needs.

This is what Progress Together is here to tackle, through research and data, and I am pleased to say that both the Bank of England and the FCA are partners in Progress Together.

In fact, we heard from Sheldon Mills from the FCA last week that “every regulated entity should be a member of Progress Together”.

So I encourage you all to join Progress Together and become a part of this important journey.

Conclusion

Ladies and gentlemen, we are – unquestionably – in difficult times, there are huge fluctuations in both the domestic and international markets, now more than ever, we must focus on stability, and we must focus on growth.

I believe – in fact, I know – that our regulators and regulation will help us achieve both aims.

As I reflect over the challenges the financial sector has seen over the last twelve months, I also think back to all the talented bankers, regulators and financial innovators I have met, and how impressed I have been.

I have – and, indeed, the whole City of London Corporation has – total confidence in you all.

We will continue working with you all to strengthen our international regulatory offer, so that London – and the UK – can maintain its position as the most competitive financial centre in the world.

Thank you very much.