

Innovation and Tech Dinner reception

Mansion House

Monday 27th March 2023

The Rt Hon The Lord Mayor of London, Alderman Nicholas Lyons

Secretary of State, fellow Aldermen, Sheriffs, Chief Commoner, ladies and gentlemen...

Good evening and a very warm welcome to Mansion House for this Innovation and Tech dinner, an evening to celebrate the success - and to look to the future - of UK tech.

The City is a champion of Tech – recognising how important it is for the financial and professional services sector, and the future of the UK's economic success.

We provided the secretariat for the Kalifa Review of UK Fintech, working closely with UK Finance, and are very proud to be part of the Centre for Finance, Innovation and Technology – chaired by Charlotte Crosswell.

You will have seen on the screens our publication on '*UK Tech: Outperforming the market and driving innovation at scale*'.

This underlines just how much of a success story UK tech is, and how much it helps the whole country - boosting financial inclusion, discovering innovations which can be shared, making people's lives easier, catalysing industrial transformation.

And if you look at the foreword, you will see the faces of two ageing tech entrepreneurs – our Policy Chairman Chris Hayward and me!

We are both very grateful for all of you who are here supporting this event this evening, and especially to the Secretary of State for Science, Innovation and Technology – Michelle Donelan MP.

Secretary of State, it is no exaggeration to say that your department holds the future of this country in its hands.

We know it is a challenging environment for tech – and recent events which started across the Atlantic have highlighted just how tricky it can be.

The global competition is fierce, but we have some great competitive strengths.

We have 4 of the top 10 universities in the world, 7 of the top 20.

That's remarkable.

We also have a track record of entrepreneurialism, and there are some great examples of how our VC industry is able to access fledgeling businesses being developed in our universities around the UK.

But, we cannot allow the UK – the home to so many tech success stories – to fall behind.

Right now, too many UK tech firms struggle to get the accelerator finance they need here in the UK.

This can lead to them looking overseas for funding, and it risks an exodus of talent, IP and value from these shores.

While the seeds of innovation may be sown here, often the reward is reaped abroad.

Great work is being done by the CMIT, headed by Julia Hoggett, CEO of the London Stock Exchange, to see how we can remove the obstacles to a more conducive listing environment here.

Solving this problem also goes to the heart of my theme as Lord Mayor: *Financing Our Future*.

And a solution is within sight.

Today, the City of London Corporation and EY have published a new report: *Powerful Pensions: Unlocking DC Capital for UK tech growth*.

This sets out how we can use money from defined contribution pension schemes to provide a new source of funding for UK tech.

The UK has the second largest pension fund pot in the world, but UK pension funds invest far less in private equity and infrastructure than our competitors.

This means the majority of UK pension funds and their scheme members are not benefitting from these high growth investment opportunities.

The City of London Corporation is calling on the industry to change this, by pulling together to create a new Future Growth Fund for the UK.

This would provide a new source of investment into industries such as fintech, biotech, life sciences and green technology.

To make this a reality, we need to address the regulatory barriers and structural issues.

Great work has been done by the Productive Finance Working Group, co-sponsored by the Treasury, the Bank of England and the FCA, with many industry participants, under the leadership of Iren Levina.

And we warmly welcome the Chancellor's undertaking in the Budget to explore this, with measures to be announced in the Autumn Statement to unlock productive investment from defined contribution pension funds.

The City of London will work with Government, regulators and business to help achieve this.

We will work to rally the pensions industry around the Future Growth Fund.

And we are calling on the industry itself to step up to the plate and back our high-growth firms.

Financing our Future, by funding Innovation and Tech – so that firms can start, scale and stay here in the UK, creating wealth and great jobs for the whole country, so we can propel the wider economy and unlock the productivity growth that we have lacked for years.

But we need to be bold and show real leadership and creativity.

That is what we want to see, and I hope this evening's event can bring us closer to this prize.

Thank you.