

Lord Mayor's Banquet

Great Hall, Guildhall

Monday 28th November 2022

The Rt Hon The Lord Mayor of London

Alderman Nicholas Lyons

My Late Lord Mayor, Your Grace, My Lord Chancellor,
Prime Minister, Mr Speaker, Lord Speaker, Your Excellencies,
My Lords, Aldermen, Sheriffs, Chief Commoner,
Ladies and Gentlemen...

Introduction

Good evening and, on behalf of my two co-hosts tonight, Sheriffs Alastair King and Andrew Marsden, may I wish you all a warm welcome to Guildhall for this Lord Mayor's Banquet.

Prime Minister, Your Grace, Lord Chancellor, Chancellor of the Exchequer - thank you so much for being here this evening.

I am immensely proud to stand here as the 694th Lord Mayor of the City of London - proud, that is, of the City of London, where I have worked for over 40 years - but deeply humbled as Lord Mayor.

Tribute to Late Lord Mayor

First, let me pay tribute to the 693rd Lord Mayor, Vincent Keaveny.

The first Irish citizen to be Lord Mayor – and I am delighted to be continuing the trend.

It's a bit like Dublin buses; you wait 100 years for an Irish Lord Mayor and then two come along, one after the other.

Yours was a truly historic mayoralty, Vincent, with the celebration of our first – and probably last – Platinum Jubilee...

And then of course the death of Her Majesty the Queen and the accession of His Majesty the King.

Through all this, you were a great representative of our City.

All these events reminded us not only of Her Majesty's close bonds with the City...but of the importance of our constitutional monarchy for our stability and continuity as a nation.

People and Purpose

My late Lord Mayor, you devoted your mayoralty to People and Purpose.

Making sure the City provides opportunities to people, across the UK.

And ensuring the City uses its **financial firepower** for positive social purpose, which you did with the Finance for Impact summit.

At the local level, both you and Amanda highlighted the scourges of homelessness and hunger in our capital.

City serving the country

In this way, you demonstrated the unspoken work of the City -that societal aspect that does not fit neatly with the hackneyed stereotype of the selfish City.

It is something that Felicity and I will also vigorously pursue, promoting not only a resilient and a resourceful City... but a responsible one too... building on the theme of my Lord Mayor's Show two weeks ago: Children, Charity and Community, which involved a record number of young people from diverse backgrounds, in many cases experiencing the City of London for the first time.

As the cost-of-living crisis looms, we now have to show how our financial purpose can meet society's needs.

As William Wright from New Financial puts it:
"The banking, finance, and capital markets industry touches virtually every aspect of millions of people's daily lives."

It directs capital into the real economy to help companies raise money to invest in jobs, innovation, infrastructure, growth, and prosperity in every corner of the UK.

The industry helps millions of individuals across the country to save and invest for their future... and for their retirement... By investing in these and other assets, they are creating a virtuous circle of investment and growth.”¹

And the insurance industry protects millions of people's lives, homes, health, cars and so much else... underwriting risks and enabling trade and the transportation of goods.

But now, our Financial services industry must find ways to help people bridge this crisis by providing affordable credit, debt repayment deferrals, premium waivers on their insurance policies - and more.

I will convene a financial inclusion summit urgently to identify best practice with the FCA and develop a coordinated plan to see how the City can play its part in tackling this looming societal challenge....

At the same time, however, we have to tackle the other great challenge:

How we set about *Financing our Future*.

¹ William Wright, 'A New Narrative, A rough guide to how (not) to talk about banking, finance and capital markets', New Financial, November 2022

Financing our Future

As a prelude to us being able to tackle that, stability is required.

I applaud the way that the Chancellor and the Bank of England moved swiftly to calm gilt markets after the crisis of confidence triggered by the mini-budget in September.

Nevertheless, “the kindness of strangers” that Mark Carney described, has its limits.

At the CBI last week, Prime Minister, you spoke about wanting to be “*bold, decisive and radical*” and emphasized innovation and growth as well as green and sustainable finance.

Keir Starmer spoke about his growth plans too and called for “*Governments, business and trade unions to work together for growth that puts the interests of working people first.*”

This confluence of thinking is timely and we must indeed work together to formulate medium term plans so that we can deliver, consistently and without deviation, an economy that benefits the whole nation.

And regulators must be part of that thinking too because regulation has been a barrier to growth, especially in the area of unleashing capital in our pensions, life insurance and personal savings sectors.

If we are too risk-averse, then we put ourselves at a competitive disadvantage.

That has to change and it has to change now while the Financial Services and Markets Bill is being debated because that must enshrine the way forward.

I know that this is well understood by Sam Woods at the PRA and Nikhil Rathi at the FCA even if they look at it through a different lens.

I am delighted that they are both here tonight and I thank them for all that they do.

For a strong, independent regulatory system is a key foundation stone of a leading global financial centre.

Prime Minister, I was in Northern Ireland with our Policy Chairman, Chris Hayward, last week, talking to exciting tech and green tech businesses and the British-Irish Chamber of Commerce – and I will be in Cardiff later this week.

Our islands are bursting with enterprise and creativity.

But growth economy companies have become reliant on investment from sophisticated overseas investors, often North American, that look hungrily at the UK's start-ups and scale-ups.

That's because we have so much going for us: 7 of the world's top 20 universities, the biggest number of fintech companies and unicorns in Europe by far.

Phenomenal talent, both homespun and entrepreneurs attracted by our unique offering from all over the world... So we need to send them a clear message that we are serious about supporting them.

By accelerating the regulatory reform set out in the Hill, Kalifa and Austin reviews... by removing the structural obstacles to growth in our high potential sectors like FinTech and life sciences.

And most importantly, by providing the accelerator capital for these companies and their talented entrepreneurs at each stage of their journey:

So they can start, scale and stay here in the UK.

Now, the reforms announced to the Solvency II regime are a very welcome step in the right direction, and will make the funding of long-dated infrastructure loans by insurance companies easier... and these plans must be successfully implemented.

I believe we need a private sector UK Growth Fund of at least £50 billion to invest in long-term asset classes... in infrastructure, in property and in private equity... supporting the growth economy, green technology and renewables.

We have the second largest pension savings pot in the world after the US... but only 7% of pension assets are invested in these real economy asset classes.

That is in contrast to an average of 19% for the economies with the other largest pension pots globally.

If that moved from 7% up to 10% it would unleash £40 billion.

That would be a good start.

Prime Minister, COP27 has reminded us all how urgent investment in renewable energy is, for all of us...otherwise there won't be a future to finance.

That is why the City of London has committed to hosting the Net Zero Delivery Summit next May with the COP Egyptian Presidency – with a clear aim of measuring delivery against the promises made with GFANZ at COP 26, and looking ahead to COP 28.

With a **private sector** UK Growth Fund, into which everyone's defined contribution pension invests a small percentage of their savings, that is capable of allocating capital to renewable energy opportunities, we can secure people's long term environmental and financial health.

Giving everyone a stake in our future wealth and success.

Financing our future, by helping people finance their own futures.

Resilient, resourceful, and responsible City

Prime Minister, the City stands ready to play its part.

The ecosystem of financial and professional services companies that coexist, symbiotically, in such a close geographic area, ... a robust regulatory regime, underpinned by our world-leading legal services, our independent judiciary and the primacy of the rule of law, ...is not mirrored anywhere else in the world.

That is what makes the City of London such an extraordinary place to do business.

That is also why we now have a huge opportunity and, indeed, a responsibility to be the engine driving the economy forward by Financing our Future.

Toast

I look forward to working with you all over the year ahead... for a resilient, resourceful and responsible City – supporting the whole United Kingdom.

Now, can I please ask Government ministers to remain seated, and everyone else to please rise – if you are able - and join me in the toast:

“His Majesty’s Ministers.”