



## **P&R Committee Dinner**

### ***'Leadership for New Opportunities'***

Your Excellencies, My Lords, Aldermen, Chief Commoner, Prime Warden, ladies and gentlemen...

On behalf of the entire Policy and Resources Committee, and indeed the wider City of London Corporation, it gives me great pleasure to welcome you all to our annual committee dinner!

In particular, I am delighted to welcome to his first committee dinner, our new City Minister and Economic Secretary to the Treasury, Bim Afolami MP.

Tonight, is an occasion when we gather together to thank partners for their help and support over the past year.

I'm proud of how this committee, the City Corporation, and the Square Mile have come together and delivered important achievements for this country...

... We have launched our new office in the United States, building a transatlantic bridge to another financial services powerhouse.

... The City Corporation has cut our net carbon emissions by two-thirds since 2018-19, remaining on track to be net zero by 2027 in our own operations.



... And the City, despite warnings of Brexit and pandemic-induced decline, remains the world's leading financial centre with a record 615,000 workers – an increase of almost 75,000 jobs since the Covid pandemic!

Of course, the City and indeed the country still have challenges to overcome. For example, the dangerous geopolitical issues, which have caused economic instability. But we will rise to them in every respect.

I know this from my own business experience.

I built my own business in the 1980s and 90s when the newspaper headlines warned of similar doom and gloom – when domestic and political crises posed worrying distractions.

I had businesses that succeeded and businesses that failed.

But like millions of other business owners, I persevered.

At the same time, people had written off the City and written off Britain.

Then the Big Bang followed.

For a decade thereafter, prosperity flowed, employment rose, and living standards improved.



Today, we have the opportunity for a similar renaissance.

But we will only seize the opportunities ahead if we – here in this room – show leadership...

... Leadership for the Square Mile as a world-leading dynamic place to live, learn, and work.

... Leadership for the country as a creator of jobs, economic growth, and prosperity right across our nations and regions.

... And leadership for new opportunities.

Now, I recognise that seizing global opportunities is difficult.

Particularly when the public purse is tight and there is little fiscal room for public investment.

It is critical, therefore, that any government maximises what the private sector – especially the City – can do.

This is why, financial and professional services can help.

We want to help, and we will help.

Together with many partners represented in this room tonight, we set out last September how the sector can contribute more to the economic prosperity of the country with our landmark report, *Vision for Economic Growth*.



Importantly, our proposals require no new primary legislation, no Whitehall reorganisation and minimal redress to the Treasury.

The report highlighted a programme of action – focussing on our sector’s strengths – and areas where we can lead globally such as sustainable finance and being a digital-first economy.

Now I want to turn to the ‘r’ word: risk.

The bottom line for me is that you cannot deliver economic growth without an element of responsible risk taking.

A responsible, risk-based culture is key to delivering strong economic growth.

Our proposals demonstrated how the nation could achieve £225 billion of additional investment by implementing our programme of action.

We can unlock economic growth and prosperity right across our nations and regions...

With partners such as TheCityUK, Innovate Finance, the Centre for Finance, Innovation, and Technology, the Green Finance Institute, and others – we will succeed.

So let me turn to a couple of leadership opportunities that government, in my view, should prioritise.



A couple of weeks ago I attended the World Economic Forum in Davos.

Amid the hive of activity, one topic dominated discussions: Artificial Intelligence (AI).

We must harness technological change. The pace of progress in AI is rapid, as my kettle was telling me earlier this morning...

I jest, of course. Today, AI is revolutionising everything from healthcare to education, and the City's financial services are no exception.

90 percent of banks have already dedicated resources to generative AI initiatives... from helping with customer support to analysing portfolio performance to detecting financial crime. Just to name a few examples.

But this is only the beginning.

We in the City and in the United Kingdom should be leading the way...

Investing in people and policies. Upskilling and re-skilling our workforce.

And crucially, pursuing a regulatory approach focussing on high standards **alongside** innovation.



We welcome the Government's AI white paper, which determines risk based on the context: where and how AI is used.

This agile approach should support the UK's thriving AI market, which is predicted to grow to over \$1 trillion by 2035.

Working together, let us have an ongoing conversation between industry, government, and regulators. A meeting of minds pursuing the common goal of British AI leadership.

The rewards would be significant: global authority abroad and prosperity at home.

AI is one of several exciting areas where we can show leadership for new opportunities. Another is global trade.

Trade deals and service agreements are hard, but they can work.

For example, the recent Suisse Mutual Recognition Agreement charts a new opportunity for our country.

We in the City know the promise that trade holds because the Square Mile was built on trade.

Throughout our history, trade has expanded our horizons, growing businesses, creating jobs, and boosting prosperity.



Today, our economy is built on services. Services contribute 81 percent total gross value added and 85 percent of all jobs nationwide.

And sitting right at the heart of Britain's economy is financial and professional services – contributing £278 billion to GDP and £100 billion in taxes, representing 13 percent of the entire tax revenues of the Treasury.

That's more than our annual defence and policing budget combined.

In twenty-first century Britain, we are no longer a nation of shopkeepers but service providers.

But my challenge to government is to suggest that our trade policy does not recognise this.

We must play to our strengths and flip our trade policy.

Prioritising trade policy to promote services – as much as goods – is not creative genius – its common sense.

As a country, we export more of our management consultancy services than we do cars, so let's celebrate everyone who is showcasing the talent and expertise of this nation globally.

With a general election expected this year, the City Corporation will, of course, remain strictly politically neutral...



From now on all dinner menus will include blue cheese... with a Keir Royale and liberal servings of greens!

Now, importantly, all political parties are looking for the key that unlocks economic growth and productivity.

Embedding services into the heart of our trade strategy is a vital step forward that any future government must take.

Of course, that includes trading with key partners such as the European Union – a subject that our guest speaker, the former Europe Minister knows well.

The Memorandum of Understanding on financial services, the Windsor Framework, the restoration of power sharing in Northern Ireland are all positive steps in this regard.

In short, better trading relationships, better trading frameworks can help deliver a better Britain.

If we want a world-leading economy where jobs are well-paid...

If we want prosperity to flow to all parts of our country...

If we want to provide leadership for new opportunities such as AI...





We must expand our horizons and flip trade policy for our strengths in services as much as goods.

That is what the City's *Vision for Economic Growth* can deliver: a roadmap to prosperity for all. It is a growth plan that many of us in this room created together.

So my ask to all of you is this...

... The City is ready. And we are a willing partner to public and private sectors, in Britain and globally.

We can help unlock economic growth and create jobs.

We can help our country into an era of new opportunities.

The challenge and the opportunity is now – only our combined action can deliver the renaissance our economy needs...

Together, the future is in our hands.

And together we will succeed! Thank you.



Will all Members of the Policy and Resources Committee now be upstanding and drink with me a bumper toast to our guests.

I now have the great honour of introducing our guest speaker... who is a great friend of the City Corporation and whose presence here tonight is thanks to my good friend Alderman Tim Hailes.

A highly respected public servant whose stellar CV includes numerous cabinet positions... former Chancellor of the Duchy of Lancaster, Lord Chancellor and Secretary of State for Justice, Leader of the House of Commons, and Europe Minister at the Foreign Office, as well as Deputy Prime Minister.

It is my pleasure and privilege to welcome the Right Honourable Sir David Lidington.

***ENDS. Check against delivery.***