

Lord Mayor's Banquet
Guildhall
Monday 2nd December 2024
The Rt Hon The Lord Mayor of London
Alderman Alastair King DL

My Late Lord Mayor, My Lord Chancellor, Prime Minister, Mr Speaker, Lord Speaker, Your Excellencies, My Lord Bishop, My Lords, Aldermen, Sheriffs, Chief Commoner, Honoured Guests...

Good evening!

On behalf of the Lady Mayoress and me...

...my two co-hosts tonight - Sheriffs Gregory Jones and David Chalk...

...as well as their consorts, Rosali and Miranda...

...it is my great pleasure to welcome you all to Guildhall for the Lord Mayor's Banquet.

Though I am only 24 days into this remarkable role...or halfway, as Liz Truss might put it...I am pleased to say that this has already been a mayoralty of firsts.

Last month, we were proud to host the first female Chancellor of the Exchequer, Rachel Reeves, at our annual Financial and Professional Services Dinner at Mansion House.

Prime Minister, this of course is your first Lord Mayor's Banquet in post.

And me...well, as a lifelong Tottenham Hotspur fan, tonight is the first time I have actually looked forward to sitting next to an Arsenal supporter...

Prime Minister, despite your terrible choice of football team, you, the Lord Chancellor, and the Lord Bishop are especially welcome.

Before going any further, I want to pay tribute to my immediate predecessor, the 695th Lord Mayor, Michael Mainelli.

Michael and Elisabeth, your energy and enthusiasm propelled your mayoral theme, Connect to Prosper, to infinity and beyond.

You showcased this city's many different areas of expertise - from finance and tech to science and engineering.

And through efforts like your Ethical AI initiative you demonstrated the Square Mile's unrivalled ability to bring people together as a global solutions hub for some of the world's most pressing challenges.

My late Lord Mayor, we have all connected, and indeed prospered, through your leadership.

For 522 years, this magnificent hall has played host to the Lord Mayor's Banquet - a reminder of our city's longevity and ability to adapt.

Indeed, in these five centuries the Square Mile has survived disease, fire, schism, and attack, as well as profound economic shocks - through it all, coming out stronger on the other side thanks to a continual willingness to innovate, push boundaries, and evolve.

We remain the number one financial centre in the world with preeminent expertise in areas like insurance, legal services, and foreign exchange - as well as world-beating sectors such as asset management, banking, commodities trading, and maritime services...

...not to mention we have a remarkable number of Pret A Mangers.

Our deep and abundant talent pools, commitment to the rule of law, use of the English language, and globally central time zone mean we are the place to do business.

And with £91 billion of responsible investment funds-under-management, we remain the world leader in sustainable finance, all the while making our economy more resilient for the future by banging the drum for innovative tech like digital verification and AI.

But to keep our crown...one that supports the entire United Kingdom economy...we must reform our attitude to risk.

That is why this year's mayoral theme - Growth Unleashed - is an unabashed call to be bolder, think smarter, and take off the handbrake...reigniting our appetite for positive risk, seizing our national edge in innovation, and supporting the many communities that make London unique.

Prime Minister, this government has been unequivocal that economic growth is its central mission.

The Chancellor has started the process of regulatory reform, particularly in pensions.

And more broadly here in the City, we strongly welcome your Industrial Strategy that recognises the critical importance of the financial and professional services sector in achieving growth.

But we must continually ask ourselves:

Are we going far enough?

Are we going fast enough?

Ladies and gentlemen, if we look each other in the eye, I believe the answer is no.

Without risk, there is no growth.

As the City Corporation's latest State of the Sector report shows, the United Kingdom has experienced the largest drop in capital raised by financial services and tech companies of any of the world's major financial centres.

In 2021, capital raised in the United Kingdom was £45 billion.

In 2022, £27 billion.

And in 2023, £20 billion.

Many other examples of a reduction in animal spirits could easily be cited.

That trajectory is not set in stone - we have the levers to turn things around - but we must address the regulatory burden that is impacting our international competitiveness and the risk-averse culture that is hindering our growth-making potential.

Aldous Huxley, the great writer of dystopian and utopian novels, said that "one has to dream, but dream in a pragmatic way"...something I'm familiar with as a Spurs fan.

The idealist will dream of growth.

But the pragmatist understands that our most effective machinery to drive that growth is here, in the City...in the hands of some of the brightest and most committed people that you will find anywhere in the world.

They come from all backgrounds. They are raring to go. Yet they remain constrained.

As pragmatists, there are a number of immediate steps we can take to help the United Kingdom unshackle those constraints and realise its full potential.

Take ISAs, for example.

In the 10 years to April 2023, people put £436 billion into Cash ISAs but only £255 billion into Stocks and Shares ISAs - even though Stocks and Shares ISAs have performed better.

When the forerunner of ISAs was introduced, the deal was simple: in return for favourable tax treatment investors put their money into United Kingdom equities.

It's time to look at that model once again - not mandating anything, but offering better advice and incentives and saying that if you want the full tax break, you need to be investing in United Kingdom publicly quoted equities - which would bring us in line with our competitors.

Redirecting this money from non-productive to productive assets would help scale British companies, improve returns for savers, and democratise the market by letting many more people benefit.

It would require a change in the rules, yes, but not a charge to the Exchequer.

And we could do it in short order.

Pensions, too, offer a huge scope for opportunity.

According to the think-tank New Financial, a mere 8% of funds in United Kingdom defined contribution pensions are invested in United Kingdom equities - far below the levels found in analogous economies.

One of my aims this year - in tandem with our Policy Chairman, Chris Hayward - is to engage with key partners to continue the success of the Mansion House Compact launched by my predecessor Sir Nicholas Lyons 18 months ago.

I am already working with the signatories on a refresh of this Compact, and in the meantime would like to see much more investment in the AIM and

Aquis markets...the home of fantastic British growth companies, from AudioBoom to Shepherd Neame.

And with the pipeline of institutionally-owned and founder-led companies wanting to go public over the next few years growing, we should look again at stamp duty imposed on trading in UK shares.

It just cannot be logically correct that, as it stands, we do not pay tax on purchases of shares in international vehicle companies such as Tesla, but we are taxed for investing in a British brand like Aston Martin.

Recalibrating that misalignment would provide a shot in the arm for homegrown companies looking to scale-up...companies that are currently all too heavily reliant on US funds, resulting in even more of them listing outside the United Kingdom.

As the 696th Lord Mayor, through a packed programme of engagement and advocacy I will seek to counter the myth that this is a largely ceremonial role...one somehow detached from the realities of the present day.

I would not be doing this if it was.

My promise is a simple one: this will be a high-energy mayoralty, one in which I see my role as being cheerleader-in-chief for the United Kingdom's entire financial and professional services sector - whether that service is rendered in London, Belfast, Edinburgh, or Cardiff.

Someone willing to roll-up their sleeves, bang on doors, and at times, when necessary, tell uncomfortable truths... taking the fight to our competitors, attracting inward investment, creating British jobs, and expanding the horizons of British businesses.

The outward-facing aspect of the role involves extolling our strengths to the world on around 100 days of foreign travel, with trips to Japan, India, and just last week, the Gulf states, as well as to Indonesia, Vietnam, Australia, Europe, the United States, and other locations.

The inward-facing aspect involves constructively encouraging the team here at home: our businesses.

To them, this cheerleader-in-chief's message is equally as simple: go out there and get on with it.

Take the risks necessary for growth, jump on planes to emerging markets, and be early adopters of the white heat of the new technologies that will give you the competitive advantage.

There is no time to waste. Double down and invest in your businesses now.

There is a saying that if you want to meet Americans, go to New York; if you want to meet the world, come to London.

Transactions, investment, trade, growth - all of these are underpinned by people and by skills.

And with London home to more diaspora groups than any other city on the planet, we have here, right in front of us, an immense resource into which to tap.

It is why 15 "City Belonging Networks", being created by this mayoralty, will seek to celebrate each community's remarkable contribution to the financial and professional services sector...

...exhorting them to redouble their investment in the United Kingdom and help us to expand the pool of talent that will keep the City growing for the next 25 years.

Because whether it is amplifying these communities' voices...

...supporting the Lady Mayoress, Florence - a proud serving Army Reservist - to spearhead Military Reserve recruitment and retention...

...backing the Lord Mayor's Appeal, the City Bridge Foundation, and other fantastic charitable endeavours...

...or helping the Government to drive growth and boost investment, this mayoralty's entire raison d'être is to give people the tools and self-belief to fire on all cylinders.

We have so much to shout about. So much to look forward to.

We have the buildings - they are already built.

We have the people - they are trained and champing at the bit.

The capital is here, as are the opportunities.

But there is a wall of regulation, over-caution, and under-confidence holding us back.

The City of London Corporation will always be an impartial and honest broker between industry and government.

The Government provides the platform for growth, but it is here, in the City, where the growth will take root.

Prime Minister, let us find that growth for you.

Let us tell the world - if you want to insure against catastrophe, do it in London.

If you want to raise debt or equity for your business, do it in London.

If you want to fall out with your partners, sue them in London.

But most importantly, let us together use the City's inimitable knowhow and tenacity to work for a brighter, more prosperous future for the whole of the United Kingdom.

Thank you.