

P&R Committee Dinner Speech
Haberdasher's Hall 12 February 2025
Driving Growth for the Future

Check against delivery

My Lords, Aldermen, Chief Commoner, 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!

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Tonight is an occasion when we gather to thank you, our partners, for your support over the past year.

I'm delighted to host this dinner in this beautiful Livery hall, being myself a Freeman of the Haberdashers Company.

The Livery form such a unique component of City life – and my relationship with the Square Mile began with my active engagement as a Liveryman 30 years ago.

That sense of community and enthusiasm for the Square Mile is something which I believe binds all of us together in this room.

Indeed, I think many of you will know that I unashamedly admit to having a love affair with the City of London – there's that mix of old and new, peaceful and busy, skyscrapers and sky-gardens.

But this love affair hasn't always been good news... my wife, Alex, has said to me on more than one occasion that the only trouble with our marriage is that there are three of us in it: you, me, and the City of London!

But on a serious note, I wish to thank my long-suffering wife – she is everything I wished for, and so much more than I deserve.

I would also like to thank my amazing private and policy office teams, who work so tirelessly to support me.

[PAUSE]

Everyone in this room plays a part to keep the City successful: and that means constantly adapting as our City has done, responding to the changing needs of business for more than 1,000 years.

Indeed, I think it is this flexibility – this forward look – that makes the Square Mile different to so many of our global competitors.

And I think it's safe to say that our City is enjoying a renaissance!

Business confidence in the Square Mile is high. In the City, we now have 678,000 workers; 25% higher than before the pandemic.

Last year alone saw a record 331 office leasing deals, and we are welcoming new occupiers like HSBC, Clifford Chance, and Moody's...

And, we have just given an updated planning permission for 1 Undershaft – which will be the joint tallest building in Western Europe.

We are home to a burgeoning tech industry; no less than 11 'unicorns' in fintech, AI and data.

And in the last year, this Committee has taken key decisions that will secure our attractiveness for generations to come:

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launching our first ever SME strategy to support growing firms,
funding the renewal of the Barbican – Europe’s largest arts
centre –

and, of course, the historic decision on our markets which will
open up the Smithfield site to develop a truly global cultural
quarter, centred around the new London Museum which we have
funded with our partners at the GLA.

This is in addition to our capital investments across the Sq Mile,
including our new state of the art City of London Police
Headquarters and court house at Salisbury Square – which will
reinvigorate the Fleet Steet quarter.

But ... despite this good news, I think we all recognise how
urgently we need to return to economic growth in this country.

It should be the golden thread through everything we do.

For this to happen, it is more important than ever that the City works with our sector, financial and professional services, throughout the country, and in partnership with government and the regulators.

A private-public partnership that fosters inclusive economic growth and development so we can provide well-paid jobs across the UK and make this country a thriving destination for global markets.

And I am proud that this partnership is already bearing fruit, with government and regulators heeding the calls for bold action we made in our *Vision for Economic Growth*.

We called for government to be ambitious in its approach to position the UK as **the** global hub for sustainable finance.

And together this week we launched the Transition Finance Council which will monitor and drive forward transition finance capacity both domestically and internationally.

We called for the UK to transform itself into a digital-first economy, and the King's Speech introduced the Data (Use and Access) Bill, which will enable digital verification schemes.

And lastly, we called for action that raises investment levels, the priority closest to my own heart.

The Prime Minister and his Cabinet chose **our** Guildhall to host their International Investment Summit and announce their new Industrial Strategy, which recognises financial and professional services as two of eight growth sectors.

However, the Bank of England's recent downgrading of the country's growth outlook further highlights the scale of our challenge.

Closer to home, the City's global benchmarking report is launched today.

It may have ranked the UK as the world's leading international finance centre, but there are worrying signs.

We may have strengthened on tech and market access, but we have declined on criteria such as tax, regulation and skills.

We that tells us is... We need to up our game.

So, whether in government, regulators or industry – we need a new spirit of responsible risk-taking.

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A few months ago, I took part in a roundtable with Barclays on long term savings.

They calculated that, even after taking account of emergency savings, consumers still have £430bn that they could put to better use by investing.

This issue has been debated for years and years.

And it is right that the FCA is taking action through its Advice Guidance Boundary Review.

We need to give our sector the freedom to help consumers.

And we need to put rocket boosters behind this change and complete this reform as soon as possible.

The regulator's disclosure rules also need to be addressed, so that consumers are given a balanced message about risk and rewards, and we support a healthy investment culture, where people have the confidence to invest as well as save.

There's no reason why only 39% of adults in the UK are active investors whereas 61% in the US do the same.

We need to change our culture and change it now!

This could also come through looking at how to encourage more flows of capital into stocks and shares ISAs.

Indeed, let's call them what they are – Investment ISAs, that give retail investors a stake in a dynamic UK economy. This is what one aspect of our Lord Mayor's Growth Unleashed commitment is about.

And encouraging reform to make retail investing more attractive is in-keeping with our ambitions set out in the Mansion House Compact, which unlocks the potential of pension savings whilst enabling economic growth.

In short, I believe that we need a culture change revolution.

We need to be bolder, and we need to move faster.

Let me add just two final points.

First, it's easy to talk about risk. Greater risk will bring more rewards – but there's always a chance of the opposite.

And if we are asking the regulators to take more risk, we – government and industry - must stand by them to celebrate success and move on from failure.

Second, while the retail offer is vital, so too is reinforcing our international competitiveness. The UK prospers when its global heart, the City, is beating strongly. Regulation must be proportionate, and I suggest it should differentiate wherever possible between the approach applied to wholesale and retail markets.

Let me clear, I am neither calling for de-regulation ... nor for a reduction of consumer protection.

But what I am suggesting is that we need to focus on what works – for big firms, and for consumers. And to continually adapt and change in order to deliver prosperity and growth for this country – as the City has done for a millennia.

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Last year, the Chancellor called the financial and professional services sector the engine room of the UK economy.

It's critical then that the Government prioritises these sectors to drive much needed economic growth.

The bottom line is that we've become allergic to risk. And finding the antidote can't come soon enough.

I've outlined some of the options we can pursue this evening – some quick wins for government which gets us growth in the short-term and positions the UK competitively for the long-term.

We have the solutions and there has never been a more important time for us to get this right.

Right for the economy

Right for growth

Right for Britain.

Thank you.

[PAUSE]

I had hoped at this stage in the evening to be introducing our guest speaker Lord Mark Sedwill, former Cabinet Secretary, Security Advisor and now crossbench member of the House of Lords. [CONTENT REMOVED FOR PERSONAL REASONS] But he sends his apologies and his good wishes for a successful evening.

This means of course that I will give a further ten-minute speech, in his place ...

Don't worry, I'm just joking, you won't have to endure the gospel of Chris Hayward any further.

[PAUSE]

Now, will all members of the Policy and Resources Committee please be upstanding and drink with me a bumper toast to all our guests.

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