HOUSE OF COMMONS

Foreign Affairs Committee

Oral evidence: Global Britain, HC 780

Tuesday 27 Feb 2018

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Watch the meeting

Members present: Tom Tugendhat (Chair); Chris Bryant; Mike Gapes; Ian Murray; Priti Patel; Andrew Rosindell; Mr Bob Seely; Royston Smith.

Questions 118-182

Witnesses

I: The Rt Hon. Alderman Charles Bowman, Lord Mayor of the City of London 2017-18, and the Rt Hon. Alderman Sir David Wootton, Chairman, Mayoral Visits Advisory Committee and Lord Mayor of the City of London 2011-12.

Examination of witnesses

Witnesses: Charles Bowman and Sir David Wootton.

Chair: Welcome to Charles Bowman, Lord Mayor of London, and Sir David Wootton. Thank you very much for joining the Foreign Affairs Committee this afternoon. I believe you know the format of these Committees. We will start straight off and I will ask Priti to kick off.

Q118 **Priti Patel:** In her speech at the Lord Mayor's Banquet in November, the Prime Minister said that "the task of a global Britain is clear." Can I ask you both whether you agree? I would like to start to unpack the term "Global Britain". What does it mean to you?

Charles Bowman: I think we would start by saying that the definition and clarity of the term "Global Britain" is not necessarily entirely clear. What we would recognise, within the City context, is the nature of our role. My role of Lord Mayor is being a principal ambassador and key spokesperson for and in relation to UK financial and related professional services. That is an industry that has a very important global dimension to it. Therefore it is in the nature of what we do within our outreach and through that ambassadorial and spokesperson role, and we do have a view as to what that looks like for the benefit of the globe and the benefit of Britain.

Sir David Wootton: I think the meaning of the term is emerging and has different meanings in different contexts. I think it is very much a matter of how each participant in Global Britain can contribute to it. The City of London is a very international place and our contribution is in promoting trade and investment to business, particularly but not exclusively financial and professional services, on the global stage.

Q119 **Priti Patel:** Global Britain is, as you have said, a phrase and a term—one could even go as far as to say it is a slogan. If the Government were to produce a single policy document, whatever it looks like—it could be a brochure or a PowerPoint presentation—on Global Britain, bearing in mind that the City of London is based on financial and legal services and all the things that are caught in your work, do either of you have a clear sense of what the City of London would expect to see in that policy document?

Charles Bowman: I would start by saying that we are a pre-eminent hub for global, financial and professional services. As an ecosystem and a cluster, what are the factors that contribute to that position? When travelling overseas, I will often answer the question—not least in the context of where we are at this moment in time—about what makes our ecosystem and our cluster. I focus on the fundamentals that build from it. I would focus on 13, if not 14, fundamentals. I would start with rule of law, history, culture, education, access to talent, taxation or tax regime, regulatory environment, innovation, infrastructure, time zone, language, probity, security and a great place to live and work. Those are important foundation stones and fundamentals that all help to create the sense of creative energy that supports a unique ecosystem.

Sir David Wootton: I would add openness to talent, both British and international, and openness to trade and investment in both directions—from other countries here and by Britain elsewhere. Investment is both financial or economic investment and investment in quality things, as the Lord Mayor mentions, such as rule of law and culture.

Q120 **Priti Patel:** Finally, building on all your remarks, and I know my colleagues will come on to Government engagement later on, in the light of the areas you have both just highlighted—rule of law, engagement, transparency, openness—how much of that do you think features in the Government's overall narrative on Global Britain? Do you feel as if you are part of that narrative and are making a contribution to it?

Charles Bowman: Certainly, as I travel internationally, there is engagement through and with embassies, FCO and DIT, for which we get very strong support. My engagement programme this year will take me 100 days abroad to some 29 different countries. We are very reliant upon that framework and we get strong support.

The nature of the DIT and FCO message that underpins and supports what we are saying will go to aspects of those fundamentals. Maybe I will talk a little bit more fluently—well, not fluently, but in a different language—as it relates to a centre of excellence, which is our financial services hub.

Sir David Wootton: In the planning, in particular, of the programme of Lord Mayor's visits and visits by other City of London Corporation people, such as—

Chair: I do apologise, Sir David, but my hearing is not great. Could you speak up a little, please?

Sir David Wootton: In planning the programme of visits by the Lord Mayor and other City of London Corporation senior figures, such as the chairman of policy and resources, we work very closely with at least four Government Departments, and receive advice on their priorities, so in that sense we are very much part of the narrative, and that is working very well.

Charles Bowman: To give an indication and elaborate on what Sir David has just said, it may be worthwhile to frame how we go about developing our programme for international outreach and travel. This year we have ourselves, the City of London Corporation, invested quite heavily in that activity. I can expand on that.

In terms of how we have then engaged with Government, in the past maybe we had focused only on the FCO. This year, specifically, before we even sat down with them, we engaged with the four Departments—FCO, DIT, DFID and HMT, with a little bit of DExEU to add into it—to seek and understand the nature of their high-value campaigns, priority markets and so on.

We then reconciled that against our own research within our constituent community across the City and financial services more broadly. I had a very constructive conversation—David alluded to it—where we drew those four Ministries into Mansion House and had an hour and a half where we set out our plan, which was well reconciled to those priority markets, campaigns, actions and activities, and have developed quite a cohesive outreach programme.

Q121 **Mike Gapes:** Can I take you up on what you both said? You have listed various things that make for global values, some of which are the same as those mentioned by the Prime Minister in November. She talked about ethos, culture, standards and so on, but that is already happening. What is going to be different about Global Britain, compared with the globalisation we are already engaged in as part of the European Union?

Charles Bowman: Perhaps I could give some specific examples. I have literally just come back from a trip to Australia and New Zealand—a productive, if not intense, eight days. I was due to come back to the Board of Trade, which I had kindly been invited to join. Perhaps we could come on to that later. So, we slightly forced two weeks of activity into less than that. Some of the tangible macro activity coming out of that would be, for example, a FinTech bridge. We would hope to sign one between the Treasurer in Australia and our own Chancellor here in the course of the next six weeks—indeed, at London FinTech Week between 19 and 23 March.

That is a tangible example of something different, where we are essentially expanding not only the global ecosystem but probably domestic markets for both Australia and the UK. That is a Government-to-Government, regulator-to-regulator, business-to-business, people-to-people framework, which should enable a much freer flow of activity and action between those two countries.

Q122 **Mike Gapes:** But that is while we are still in the European Union.

Charles Bowman: Indeed. That is as we stand at this moment in time, but it is an important foundation stone and stepping stone to being in a position to negotiate a free trade agreement in due course. We all respect that free trade agreements may be best served as a consequence of a bit of trial and experience. The FinTech bridge that we are talking about with Australia—we have got four at present, with Korea, Singapore, China and Hong Kong—demonstrates that activity, and we can learn from it.

Q123 **Mike Gapes:** Apart from the public message that we got from the Prime Minister about Global Britain, what has the Government been telling the City directly?

Sir David Wootton: The Government, through those Departments, have been saying that they are very keen on widening the trading relationships across the world, which is a shift in balance and intensity from our time in the European Union. They are keen to create conditions in which trade and investment can happen in an open way.

Q124 **Mike Gapes:** But those are just statements of intention. Have they given you anything concrete?

Charles Bowman: A couple of specific actions are coming out of it. With my team, I spent a session with the Secretary of State for DIT. The meeting was set for half an hour, and it extended to about an hour and a half by the time we eventually concluded. They are endeavouring to work more closely with the City, and UK financial and professional services hatched a series of plans. I mentioned the new, reinvigorated Board of Trade, which the Secretary of State has kindly invited me to join. Within that, we have set up a FinTech sub-committee. FinTech is a very critical piece of the financial services jigsaw as we progress forward, in which the UK has pre-eminence globally. We stole a march on the competition some years ago. There is a series of other actions and activities. The trade envoys were to be coming in for a reception we were going to host at Mansion House. We are also co-ordinating a leaders of tomorrow boot camp with DIT.

Q125 **Chair:** Lord Mayor, can I stop you just for a moment? You are talking about a very impressive relationship with the new Department for International Trade. I welcome that absolutely and I can see why the Secretary of State has invited you to sit on the Board of Trade, but can I ask about your relationship with the Foreign Office? You have spoken enormously and quite appropriately about the Department for International Trade, but significantly less about the Foreign Office, except as a platform from which you operate as a trade envoy.

Charles Bowman: I suppose I was doing so only to identify that our relationship has grown with the new Department—DIT. I would not wish to take for granted the already extremely strong relationship that we the City have with the FCO. That has always been our foundation for our outreach programme. It remains strong and it grows.

Q126 **Andrew Rosindell:** Lord Mayor, it is good to have you with us this afternoon. The City of London Corporation and the office of Lord Mayor are among the great institutions of our country. In terms of soft power, the work you do is incredible. I think that our Government and all Governments need to do more work directly with you. Do you feel that the relationship you have with the Foreign Office and HMG in general—No. 10—is sufficient? Do you feel they should be engaging more with you? Do they listen to what you say? Do they involve you in things that could be of great benefit not only to London but to the entire United Kingdom?

Charles Bowman: We have a good operating relationship with HMG in the round. I have mentioned DIT and the FCO. Coming back to the nature of our own City of London outreach, it is an important programme that is about not just a Lord Mayor but other officers. That is engagement both out and, importantly, domestic activity that happens within. We do a lot of hosting of all sorts within the City. The nature of the engagement is strong. It has grown. Can we do better? Yes, I think we can—on both sides.

Q127 **Andrew Rosindell:** In terms of Global Britain, which is what we are talking about today, and the UK leaving the European Union, the City of London has a great opportunity to be one of the leaders in promoting that idea of a strong, determined, free-trading, global, outward-looking nation. Could the Lord Mayor or Sir David tell us the ideas you have and the concepts you have come up with to help the Government? I think that they need a bit of help in this; it is a great concept, but it needs to be pushed and promoted much more strongly.

Charles Bowman: If I may, I have a couple of specific examples. I would come back to what we have been doing in Australia and New Zealand. Not wishing to labour the point, but the nature of this FinTech bridge that we will sign with Australia and will hope to build with New Zealand is not unimportant. That gives us an opportunity to push business across the bridge, and to push the concept of regulatory harmony either way, so we are already exploring the opportunities that will become available in relation to the stepping stone to a free trade agreement. That might be one aspect.

An environment and a community that is important, involving 50-plus countries across the globe, is the Commonwealth. We have the Commonwealth Heads of Government meeting happening on 16 to 21 April and I am delighted to report that, along with CWEIC—the Commonwealth Enterprise and Investment Council—we are co-hosting this year’s business forum, which we are planning two and a half days before the summit itself. There is a very brave agenda for the forum, and the nature of the co-operation and collaboration that we have had between CWEIC and the City has been strong.

Sir David Wootton: Another element is the promotion of themes, for example the smart city of tomorrow, digital technology and its impact on the working environment. A number of us are spending quite a lot of time building that as a theme to promote London not just as a place of trade in particular things, but as a thinking place, to move forward in a particular direction with the benefit of technology.

Another one of particular interest to me as a lawyer is working with the Ministry of Justice and the judiciary in promoting the contribution that this country could make to the law and the administration of justice. The City of London has announced plans—

Q128 **Andrew Rosindell:** Sir David, how easy is it for the Lord Mayor or the City of London Corporation to have direct input? Can you easily speak to a Minister about issues relating to how the City of London is working out its programme and engaging with the global community? Are there barriers to you having direct input into the Foreign Office or any other Department?

Sir David Wootton: I would say we find it easy both at civil service level and at ministerial level. Do you want to add to that?

Charles Bowman: I agree. As ever with relationships, they can always be enhanced and improved, but my observation over the course of having been engaged in the preparation—if I can put it that way—for becoming Lord Mayor is that it is on an upward trajectory.

Q129 **Andrew Rosindell:** So the City of London will play a major part in CHOGM later this year, in April.

Charles Bowman: Absolutely. We are co-hosting the business forum, and thousands of people will descend upon the UK for that. I will balance it against the summit, but it is a very important two and a half days, and that agenda is cohesive and happening within the City of London buildings. We are proud to be doing it.

Q130 **Andrew Rosindell:** In conclusion, the list of places you are intending to visit over the coming year is incredibly impressive, and all of them are very important. The only thing that I have noticed is that there do not appear to be any British overseas territories such as Gibraltar on that list. Do you work with territories as well, or do you only tend to co-operate with nations? I know that in the past, Gibraltar has had events in the Guildhall, but do you have any engagement with the 21 territories and dependencies in any way?

Sir David Wootton: We do to some extent, perhaps more in London than there. Sadly, there is only one Lord Mayor and he can only be in one place at a time. We have to make judgments by reference to priorities: the amount of business, and the size of the nation in question. We do go from time to time, very often when there is another event there. Certainly in London we do have it very much in mind.

Charles Bowman: Just to pick up on something: you make the observation about Gibraltar. We actually host the Gibraltarian Government at the Guildhall each and every year. Perhaps that is a demonstration that we do a lot of domestic, inward activity that is not necessarily on the list of countries that we visit.

Q131 **Andrew Rosindell:** Are there any plans to do anything with Ireland, our closest neighbour? Bearing in mind the great sensitivities around us leaving the EU and our great friendship with Ireland, are there any plans to do anything with our Irish friends in advance of 29 March next year?

Charles Bowman: The Lord Mayor travelled to Ireland last year and had a productive trip—I think it was in September. What I should say in relation to our own investment is that it is not just about the trips. With our further and increasing investment in our global export and investment community or group, we have sought to make sure that we broaden out so that the trip is not in isolation, but we have a pre and a post, with a sense of strong, continued relationship management with the country and the activity.

Sir David Wootton: May I add something on the subject of Ireland? The visit by the last Lord Mayor that was referred to included a civic visit to Dublin. We took our mace of the City over there, and he then went to

Londonderry and to Belfast. The City of London has been active in Northern Ireland since 1613, and we were involved in the original plantation of Ulster. That strangely named body, The Honourable The Irish Society, is now a community engagement and grant-giving body. We are also using the City's soft power to bring the different sides of the community together. The Lord Mayor before the last one hosted a dinner in Belfast at which the leader or deputy leader of every one of the political parties in Ireland was present, sitting at the same table. That work is partly economic, partly cultural and partly community. We do a lot in Ireland, particularly in the north.

Q132 **Chair:** May I pick up on one issue? Are the Foreign and Commonwealth Office and the Department for International Trade giving the same message on Global Britain?

Charles Bowman: I think they are promoting many of the concepts that we have been talking about. I would perhaps come back to your initial question as to whether the definition is there. I am not sure that I know that there is the definition. As for the messages around some of the fundamentals, by way of example, I do get a consistent theme.

Q133 **Chair:** You mentioned the trip to Ireland. It would be fair to say that the trip had some instrumental ambassadors. I am thinking in particular of Christopher Moran. I am sure that in other countries you rely on similar people who are incredibly well-connected into a society. Do you feel this offers you a separate network—separate even from DIT and the FCO—that adds to the projection of British influence?

Charles Bowman: Yes, whether that is through a network of broader ambassadors—we have the trade envoys and the soon-to-be commissioners.

Q134 **Chair:** Sure. People like Christopher Moran are not envoys of the British state in that sense, but they carry with them a reach that, frankly, other envoys would find difficult to match.

Charles Bowman: Indeed. It might be through different communities: a body such as the China-Britain Business Council for and in relation to China, with which we have a strong link and relationship. By way of example, I am going to China in two weeks' time and the individual heading parts of my delegation is the vice chair of the CBBC. Neither should we ignore the importance of the business network as a ready-made infrastructure.

Q135 **Chair:** That is what I was alluding to—effectively, these have been softening, if you like.

Charles Bowman: My own firm is an example of that, notwithstanding the fact that we are international in terms of our fabric. It provides—we are seeking to use it within the City—that sense of partnership with business to our best advantage.

Q136 **Mr Seely:** To follow up on that point, I think I understand but I want to double check a couple of things. First, where does finance sit overall in the UK soft power portfolio? Secondly, are we talking about something that is fundamentally a private sector link? A lot of the qualities that you gave are not necessarily things that Government provide—law certainly is, but probity and these other more nebulous but very important concepts are provided by tradition, private sector initiative and the culture of business.

Charles Bowman: If I may pick up on the second point, I mentioned regulation and the regulatory framework. To provide one example of where I think we have done a very effective job, we have technology. Arguably, the most critical factor impacting financial and professional services at this moment in time is around the technology revolution. We have built a FinTech sector on the fringes of the City, which is a huge benefit because it is only 350 metres from the tech centre to the FinTech centre, as opposed to 3,500 miles if you go and visit our cousins on the other side of the pond.

With a lot of Governmental support, we have very effectively developed, with a Government tone, the regulatory base to enable companies to experiment. You have the sandbox by way of example. Then there is the encouragement of private input from the City. Those three factors have given rise to what is now the world-leading FinTech sector. That, perhaps, would be an example of where there is a combination of private and governmental support.

Sir David Wootton: The Lord Mayor rightly uses the word "combination". I think the view in other countries is that the combination of the quality of our regulation and the quality of the businesses following that regulation is very powerful.

On your first comment, finance does rate highly in the range of products, not so much in amount but particularly in the expertise in our financial sector, but it is only one of many products that Britain, and even the City, has to offer—there is maritime and shipping, insurance, infrastructure, and lots of different things.

Charles Bowman: We would be keen to continue to promote the importance of it. While the City often carries the banner of financial and professional services, a message that I contribute very loudly when I go abroad is that this is not just a City phenomenon; it is a national jewel. We employ 2.2 million people across the UK, only 400,000 of whom are based in the City. As well as Belfast, you have got Bournemouth as a major centre of excellence for financial services. We have got Bristol, Birmingham, Chester, Hull, Edinburgh, Aberdeen, Glasgow, Leeds and Manchester, to name but a few.

Q137 **Mr Seely:** What happens in Bournemouth?

Charles Bowman: The single biggest private sector employer in Bournemouth is financial services in the form of JP Morgan. They have 8,500 people there.

Chair: And in Poole there are more.

Charles Bowman: Indeed. It is the same with Chester, Hull and throughout the country.

Q138 **Royston Smith:** Lord Mayor, in response to Mr Rosindell, you touched briefly on the extensive and impressive overseas engagement programme you are embarking on. That was reviewed by the Corporation in October last year. Why was that?

Charles Bowman: Sorry?

Royston Smith: Why was your overseas engagement programme reviewed last year?

Charles Bowman: It is under constant review, so it wasn't just in October—we review it on a continuous basis. As a little backdrop, probably even before the first half of 2016, we commissioned Sir Simon Fraser to look over our shoulder and play devil's advocate on how we were going about our international programme. He came up with some sensible and helpful suggestions and recommendations. Since that time—with the support of David, myself, and others through the Corporation—what we have been doing is to constantly refresh, review and consider the way we go about developing our global or overseas outreach.

Q139 **Royston Smith:** So that is just a process you continually review.

Charles Bowman: Correct. The important thing about our global outreach is that we don't look at it as a moment in time. The visits are important and they are very powerful—to be clear and to be sure—but, as I said, we are endeavouring to stretch it out so this is much more about the nature of a long-term relationship with territories.

The visit is important but we will action activity beforehand and after, whether it be drawing ambassadors into the City, promoting or tying in businesses. We had that with Vision 2030 for Saudi Arabia only last night. One of the actions we took there was that we met—it was in the UAE as opposed to Saudi—one of the two sovereign wealth funds. It was the first time we had met them; we developed a good accord and rapport with them. I invited them over to London. They had a tremendous day yesterday: they were in the stock exchange; they were in 10 Downing Street with the Chancellor; and they ended up in the evening having dinner with us in the Mansion House.

Q140 **Royston Smith:** The review prioritised 30 counties. Why did you prioritise those countries above others? Just to expand that, did you then deprioritise some countries that you had prioritised in the past?

Charles Bowman: No. I am visiting about 29 countries. It might be up, it might be down—it depends. The process we went through was to consult with our community—across the City and more broadly the financial services—then the four Ministries, and then reconcile the two to come up with a list of 20 priority markets that we hoped to cover extensively over at least a three-year tenure. So, that would be me with my likely successors, recognising that this is about a continuum. The concept of the pop-up is long gone.

It is not to the exclusion of other territories at all. We seek, within our programme, to provide flexibility and agility—those are the words we use—such that at last and at short notice, we might be able to pop a particular country into the mix for a specific need, should it materialise.

I am thinking out loud as to whether we have an example of one this year—maybe not at this immediate moment. Sorry, we are likely to go to Peru. I met with the new Peruvian Ambassador. Peru is particularly keen to engage. Its new ambassador is an ex-employee of JP Morgan; its President is keen to engage in the City. So we are going to pop a day's worth of visit into Peru at the back end of Chile, and then persuade them to set up a Peruvian day in the City of London.

Q141 **Royston Smith:** Should the Foreign Office be following your lead in the countries you have prioritised and where there may be opportunities for this country, particularly post-Brexit?

Charles Bowman: I think in large part our 20 priority markets reconcile very much alongside those of the Foreign Office and DIT. Part of the process that we went through was to reconcile what we reflected as the key markets alongside their priority markets and their priority campaigns. That was a very healthy exercise. We spent it must have been two hours with those four Ministries in the Mansion House making sure that we were aligned not only in the markets but at a more granular level to the activity within the markets themselves.

Royston Smith: It is quite encouraging that you are working closely with the Foreign Office, because part of the whole conversation is about Global Britain and thus far we have had something that is very vague and does not answer the questions that we have been putting. If you are saying that the Foreign Office is aligned with you, it may not be a great way of explaining what Global Britain is, but it encourages me that they are looking beyond Brexit to Global Britain.

Q142 **Priti Patel:** Lord Mayor, you have mentioned the Government's priority markets and priority campaigns—you mentioned those phrases a couple of times. Are there any particular outputs or outcomes that are set by any of the four Government Departments that you engage with prior to your visits? I see you are going to China shortly. The Prime Minister has recently been in China. Will you be building on that? Are there key outcomes and outputs that you will be following up from her recent visit, for example?

Charles Bowman: There are two examples. I will come back to China, because I think it is very important.

In the case of Saudi Arabia, I travelled there in December and was in Jeddah and Riyadh and then in the UAE—it was a four-day trip. As I flew into Riyadh, the Chancellor was in the car on the way out. You might turn round and say: "That doesn't sound very cohesive." In fact, it was very cohesive because he was there presenting a broad case for Britain in relation to Vision 2030. He name checked me the day before, to say: "And I am delighted to say that the Lord Mayor is arriving tomorrow morning and he is picking up the mantle as it relates to financial and professional services." It was a small but important statement. Hot on his heels, we were immediately able to get in to the areas of activity that we were focused on: privatisation, sovereign wealth funds and the broader capital markets agenda, if I can put it that way. So it was quite helpful.

In relation to China, that is a very good example. I attended in May last year the belt and road initiative. We have engaged with HMT in relation to the economic financial dialogue which happened pre-Christmas. There were some specific actions coming out of that that were related to the City and specifically belt and road, which we can all recognise as a huge opportunity for us in this country. The Prime Minister went out a couple of weeks ago and I arrive in mid-March—the choreography for that is fairly well set.

Sir David Wootton: Could I add something to that, both in answer to Ms Patel and Mr Smith? Having been involved in these matters for about a decade, it is now clear to me that the view of Government Departments has changed and they are very keen on co-ordination and collaboration with the different potential players for Britain.

The first Lord Mayor's visit—I was not Lord Mayor at the time; I was new on the scene—went to India. Two weeks previously, the Duke of York had been. The week before, the Minister had been, then there was the Lord Mayor, and there was no connection at all between any of the visits. That does not happen now. This is the reason for the review and reviews happen every year. We are very keen that our visits be relevant to what the Government are doing and to what business wants. It is now much more joined up and that is a definite outcome of current events.

Chair: May I ask very quickly before I come to Chris: you have spoken very positively about your relationship with DIT. Do you have more to do with DIT than you ever did with UKTI? Is there a new emphasis, basically?

Sir David Wootton: There is a new emphasis. We had a "what to do" with UKTI. I think the creation of a separate Department has given a new, positive impetus and we are going with that.

Q143 **Chair:** So it is noticeable that you feel an increased push, perhaps?

Sir David Wootton: Yes.

Charles Bowman: I think with all respect there is a lot happening with the development of that now newish Department. If you were to push me in terms of on the ground, I think there are lots of unsung heroes in DIT. If there is one area where we could probably seek to invest more, it is on the ground.

Q144 **Chair:** Is there an argument that DIT—and, indeed, you—are demonstrating that if we are to make a success of Global Britain, which I think we all hope for, then what we are really looking for is to use the examples that you have highlighted as ways into other means? You have spoken about Australia very positively and you touched on China. Is there an argument that goes, "We'll look at the achievements of the financial sector and what we can do to open up the prospects of a free trade deal with Australia"? Could we not use the same leverage in—pick a country: China, India, Peru, whichever country you wish to choose—and therefore is there not an argument that this is the route for Global Britain? Is that one that you would make?

Charles Bowman: I certainly see some—I would lend my support to that as a method.

Q145 **Chair:** Would I be fair in going perhaps one step further, and saying that these trade envoys are the new ambassadors of Britain's global future?

Charles Bowman: I think they will play a very important role.

Q146 **Chris Bryant:** I am not entirely sure that the City's involvement in Ireland in the early 17th century was in every regard positive, though I note that baronetcies helped to pay for it because they were sold for £1,428 each—but anyway.

Sir David Wootton: I mentioned that merely as a matter of history.

Q147 **Chris Bryant:** I am not suggesting that you bought yours—your knighthood, in any sense. One of the things you do, and have done very successfully for the financial services industry while we have been a member of the European Union, is pursue legislative outcomes in the EU that are important for us to flourish. How are you going to do that after Brexit?

Sir David Wootton: Part of our contribution to the Brexit process, regarding the terms of withdrawal—we are making a contribution to the terms of the European Union (Withdrawal) Bill being debated in the Lords now—is to make sure that we talk to Government and also to international bodies to try to achieve the openness of trade that I was talking about earlier.

Q148 **Chris Bryant:** Like the customs union idea?

Sir David Wootton: Or whatever it happens to be. On Lord Mayors' visits to countries with which we were seeking to negotiate a free trade agreement, we would want to visit agencies in that other country, to put in particular the City's point of view.

Q149 **Chris Bryant:** Maybe I'm not putting my question well, but let us take the insurance industry, which is a vital part of what we provide out of the City of London. Insurance companies will be selling insurance now for the next 12 months—today, for 12 months, and at the end of March for 12 months—and doubtless would like some certainty about what is going to happen in the future: whether British insurance which thus far has been sold across the whole of Europe will still be able to be sold next year. How are you going to pursue that? Are you going to launch a new office in Brussels—are you going to do it bilaterally with different countries?

Charles Bowman: In terms of the civic European angle, and taken at the highest level, our ask has been essentially what we call the three Ts—

transition, talent and trade. In relation to trade, the proposal that we set out, as articulated by the international regulatory strategy group, is for a brave free trade agreement based on mutual access, based on the regulatory harmony at this moment in time.

I think we can respect the fact that one of the UK's great skillsets in financial services is that we are clever and good architects of financial services regulation. I would not expect that to disappear, in terms of life beyond the EU.

Q150 **Chris Bryant:** You could argue that we have been weaker on financial regulation than some other countries in Europe, and that is why we are so open to Russian money.

Charles Bowman: Our regulatory framework is respected, and Europe has looked to us in large part for support in the development of regulation. I wouldn't suggest that we would be losing that.

Q151 **Chris Bryant:** In terms of priority for trade and so on, one thing we have been told about Global Britain is that it gives us an enormous opportunity to go off to all the Commonwealth countries, where people speak English and so on. However, when you add up all the Commonwealth countries' trade with the United Kingdom, it doesn't equal the amount of trade with Germany and France put together, and it wouldn't even if you doubled it. I just wonder whether you worry that the English language element or the historic ties element may be knocking us awry on a really strategic view of where we should put our energies.

Charles Bowman: I will start by saying that we absolutely recognise the significance of that. The nature of the trade agreements that we would look for would be ones that respect a very important relationship between Europe and the UK—one that preserves and enhances economic prosperity for the UK, Europe and, indeed, our global partners, to the best of everybody's ability. We strongly recognise that.

Sir David Wootton: I don't think we have a view that a particular thing, such as trade with the Commonwealth, will replace something else. The numbers you give are entirely right. We look at what is happening—Brexit is happening—and we look to develop the opportunities, for the City and for the country, wherever they take us.

There is certainly no view in the City that although the English language has many advantages across the world, it is the be-all and end-all, and that we can forget about countries that don't speak English. We are global in a language sense as well as everything else.

Charles Bowman: Perhaps another important point that we ought to make is on the nature of our investment into Europe in any event. The City of London has had an office in Brussels for some time, and we actually took the decision at the back end of last year to increase our investment in that particular office, in the context of our post-referendum activity.

On top of that, in 2015 we invested in a special representative to Europe, in the form of Jeremy Browne—a name you probably know well—who will spend an extraordinary amount of his time each year traveling to every one of the 27 countries.

Q152 **Chris Bryant:** One final one from me. When you look at the world and think about where the greatest opportunities are without reputational risk associated with them, that unfortunately seems to potentially knock out Russia and China. The statements today by the Chinese President would make you think that that is a dangerous place to put a lot of eggs in a basket, and the money laundering and corruption in Russia makes it difficult for British businesses to do business there. That is not really a question, but would you like to comment on it?

Charles Bowman: We watch with care. I understand your point. On the nature of the relationship with China, we respect that there are challenges and opportunities. We will certainly measure our cloth and our approach with care. It is a geography through which the opportunities for Britain—not least through the belt and road programme vision, which is about not just China but 65 countries across its fringes—are immense.

Chris Bryant: My fear is how we are going to end up. Everybody always talks about Peru. I love Peru and have visited many times—I love a pisco sour or 10—but Peru is the easy one because it has been the most liberal economically, the most stable politically and all the rest of it. If that is it, we are just going to have marmalade sandwiches forever. Sorry, that wasn't a question, either.

Q153 **Mr Seely:** If I could just follow on from that, when it comes to the unpleasant subject of money laundering, I suspect you are not happy with the McMafia definition of London as the money laundering capital of the world. Does that reputation or unpleasant bit of urban myth damage the UK's reputation? Do you think there is any truth in it at all?

Sir David Wootton: We are certainly not happy with suggestions that Britain is good for money laundering. In a way it is a slightly backhanded compliment, in that Britain is regarded as a safe place to put money, which is why it is here and not in other places that may in fact may be worse in money laundering.

We are in favour of the rules being tight and are disappointed when anyone is caught out not following them. We are keen that the reputation of the UK and the City should not be that. I doubt whether that is the reputation seen by other countries looking from outside at Britain.

Charles Bowman: I support everything that Sir David has just said. I would perhaps add that, if you are out of country looking into the UK, that is not necessarily the angle that people approach. They would generally look into the UK for its probity, security and its trusted cluster of choice.

Q154 **Mr Seely:** So, you would accept the argument that lax laws actively damage the UK and that very high standards actively help the UK, by encouraging people to understand that this is a place for clean money and high standards of probity.

Charles Bowman: Correct, yes.

Q155 **Mr Seely:** On that point, would you favour the tightening of Magnitsky laws up to the US and Canadian levels, rather than the somewhat weaker version that we have here now?

Sir David Wootton: I am not sure that I know the details of that.

Q156 **Mr Seely:** It is a package of measures and we are putting through a rather watered-down version of the Magnitsky measures here, whereas the US and Canada have a much higher standard, which includes visas, annual reports and all these other good measures.

Sir David Wootton: I am not sure I'm good enough on the detail but it is key that, whatever the standard is, it is internationally respected.

Q157 **Mr Seely:** So, you would like to have the UK fitting in with the US and Canadians on that measure, and maybe other countries as well who are potentially going to be part of this series of laws and measures.

Charles Bowman: I am not sure I can speak for those laws specifically, but a continued focus, if I can put it that way, is what I support.

Sir David Wootton: And having a high international standard across as many countries as possible.

Q158 **Mike Gapes:** I am interested in your priorities and your choice of priorities since the referendum. Has your global outreach programme and its priorities changed since 2016?

Charles Bowman: I will start by saying that our method has changed, if I am honest. We have professionalised the process that we adopt. The process this last year has been that we have outreached to our community—our stakeholders within and about the City—to develop our views, and then sat down with those four Government Ministries to reconcile it against their campaigns. In the past, there was an effective programme—David may be able to comment—but probably without that sense of strategic focus. It was a little bit more random.

Q159 **Mike Gapes:** So you would still be dealing with the same countries, but in a different way. Is that what you are saying?

Charles Bowman: No, not necessarily. Some of them are absolutely the same countries that we have visited time and again, but we have gone through a process to provide greater strength of legitimacy as to why we are focused on them.

Q160 **Mike Gapes:** One of the issues that has arisen since 2016 is that the Foreign Office and, I guess, the Government as a whole, despite having a rhetorical declaratory view that we are going to go global, have actually had to focus more resources on bilateral relationships in Europe and have pulled people back from some places in order to rebalance and focus on Europe. Have you had to do that?

Charles Bowman: As the City of London Corporation?

Mike Gapes: Yes.

Charles Bowman: As I say, we have actually invested further, consequent upon our own review, and grown by—these are not big numbers—somewhere between 10 and 15 our FTE in global export and investment.

Q161 **Mike Gapes:** What percentage is that?

Charles Bowman: I'm sorry, but my answer should have been that we have gone from about 10 to 40 staff. That is perhaps a demonstration of our investment in this thing.

Q162 **Mike Gapes:** How much of that is focused on ongoing European relationships, or on building bilateral European relationships, as opposed to going outside Europe?

Charles Bowman: Our Brussels office is made up of about 10 full-time staff. We built that over the course of the last year or year and a half.

Q163 **Mike Gapes:** So your Brussels office has grown since 2016.

Charles Bowman: Correct.

Q164 **Mike Gapes:** What about your outreach work to Asia—China and elsewhere?

Charles Bowman: We have two offices. We have an office in Shanghai and one in Beijing. I am delighted to say that they celebrate their 10th anniversary this year. We are using that anniversary as an opportunity to reframe what their activities might be for the next 10 years and actually engaging China. One of the things I will be doing while I am there is getting the views of others as to what that may look like.

Q165 **Mike Gapes:** So it would be fair to say that you have increased your diplomatic engagement efforts with Europe since 2016.

Charles Bowman: Correct.

Q166 **Mike Gapes:** And at the same time you have increased them in China.

Charles Bowman: Correct.

Q167 **Mike Gapes:** What about other parts of the world?

Charles Bowman: We have an office in India, two offices in China and one in Brussels. That team that I referred to increasing from 10 to 40 covers not only Europe but the rest of the world.

Q168 **Mike Gapes:** Including North America?

Charles Bowman: Including North America. The team is based in London but takes responsibility for geographies around the globe.

Q169 **Mike Gapes:** When you assess this, do you think the Foreign and Commonwealth Office has the resources to support the work that you are doing in Europe, Asia and elsewhere?

Charles Bowman: I would observe that there are times when I might encourage greater investment and more people on the ground. I think I am right that our embassy activity on the ground, compared with the French or the USA—we have a lot of unsung heroes who do phenomenal work and work extraordinarily hard—

Q170 **Mike Gapes:** But we do not have as many as other countries.

Charles Bowman: But we do not have as many as other countries.

Q171 **Mike Gapes:** You mentioned France and the US. Are there any other European countries that are putting more effort in?

Charles Bowman: I do not have the detail, I am afraid. The German chambers of commerce model is better resourced, if I can put it that way.

Q172 **Mike Gapes:** Yes, we have heard that elsewhere. What about engagement with Commonwealth countries? Andrew is not here—he would probably have asked this question. Apart from India, and you touched earlier on Australia, is there any focus on trying to use the Commonwealth network in any way?

Charles Bowman: About a quarter of my visits this year will be to Commonwealth countries. We have got India, Australia, New Zealand, Canada, Kenya and Nigeria—maybe South Africa.

Q173 **Mike Gapes:** Is that very much a bilateral relationship, or do you see it in a sense as having a commonality?

Charles Bowman: We are using our engagement through the business at this year's Commonwealth Business Forum as an opportunity to see whether or not there is common ground. One of my fellow Aldermen is Patricia Scotland, the secretary-general. The fact that the CWEIC—the enterprise and investment council—are homed and housed in the Guildhall is, I think, to everyone's best advantage. At this moment in time, Richard Burge is the chief exec.

Q174 **Chair:** We have spoken, quite understandably, about financial service and focused very heavily on it, but, speaking to an accountant and a lawyer, it is worth highlighting the export—if that is the right phrase—of British accountancy and legal services. It is certainly true that there are many law firms currently practising in, say, Paris, that operate with two or three UK legal partners—they are trained as UK lawyers; they may or may not be British—and sometimes one, sometimes none under French law. They are operating effectively for international clients but based in Paris. Given that the change in offshoring services, or rather exchanging services, within the European Union is likely to have an effect, are you having any representational aspect on that? Are you having any impact on the DIT, the Foreign Office or indeed DExEU on that?

Sir David Wootton: We are talking on those very issues to the MOJ, and either directly or through the MOJ to DExEU, because of the structural impact of changes when we come out of the European Union. So we are having an input on that; yes.

Q175 **Chair:** You were a partner at one of the UK's biggest law firms—are you still a partner there?

Sir David Wootton: No.

Chair: But you were a partner at one of the UK's biggest law firms. How do you see the future for UK legal firms in Europe?

Sir David Wootton: It is very important that the terms on which we come out, and the effect on the legal services directives, is handled in a way that does not enforce structural change. Our practice of law—the Anglo-Saxon way, if I may put it like that—is now very well established in the marketplace in the larger European Union countries. So, subject to the structural point, I think that the future is a very strong one, and the major firms that are currently led from London will continue—

Chair: I am sorry; can you say that again?

Sir David Wootton: The major firms to which you refer that are currently led from London will continue to be led from London.

Q176 **Chair:** On a separate but connected point, the export of UK justice, British justice, in its various forms—predominantly the laws of England and Wales, but occasionally others as well—into places like Hong Kong as the obvious example, as well as Dubai and Astana, is a serious export. How focused are you, as the City, on that aspect of foreign trade, as well as the financial services aspect?

Charles Bowman: Both David and I met with the newish Lord Chief Justice three weeks ago, along with Geoffrey Vos—

Chair: Along with?

Sir David Wootton: He is the Chancellor of the High Court. He is the judge in charge of all the commercial courts.

Charles Bowman: —to debate and discuss this exact same point, making sure that we engage with them in terms of making sure that they are aware of our programmes and how we can dovetail as well as possible.

Sir David Wootton: I sit on something called the Brexit Law Committee, a combination of judiciary and leading members of the Bar and the solicitors' branch, which advises Government Departments—MOJ, DExEU, Treasury and BEIS—on aspects of law that will affect what you are talking about: the UK as a legal centre and the position of English law. It addresses things like the international rules on the enforcement of judgments and the recognition of choice of law clauses, all of which come down to conventions such as the Lugano convention and the Hague convention. We give direct input into that.

Charles Bowman: I should say that on my visits, if there is a feature or characteristic that is admired and respected the world over, it would be rule of law. I talked about those fundamentals a little earlier; I will always start with the rule of law.

Q177 **Chair:** You are preaching to the choir here, as you know—or rather lecturing to the court, maybe. The key element of this is something that we are very seized upon here. How much support are you getting from the Foreign Office on this? Is it mostly DIT that is leading with this, or is it the MOJ? It is not the MOJ's fault, but obviously its representation overseas is somewhat less than it once was.

Sir David Wootton: In London it is the MOJ and BEIS, depending on which service it is, and the Treasury in the area of financial, as opposed to professional, services. We find that the Foreign Office has got the message and is indeed being very supportive.

Q178 **Mr Seely:** Was the FinTech something that was set up with the support of Government? Did the Government provide seed money? Or are you just getting on with the FinTech and it had nothing to do with Government support?

Charles Bowman: I think there was a good sense of collaboration. As I said earlier, there was governmental tone from the top, there was sponsorship and support from the regulator to create the right environment to develop business, and *x* years ago we set up a trade body called Innovate Finance. If you combine those three together, that is what really gave momentum to that sector.

Q179 **Mr Seely:** So not necessarily cash but regulatory support, in this case?

Charles Bowman: Correct.

Q180 **Mr Seely:** Thank you very much indeed, Lord Mayor. I cannot remember whether this has been asked: are you confident about the future post-EU, or do you think there will be a hit on jobs and your ability to dominate some sectors? You cannot style yourself as a gateway to the EU, so what will your future pitch be?

Charles Bowman: I am often asked the question when I am travelling abroad. There may be some movement in people, but we are cautiously confident, particularly about London's position as a critical global hub for financial and professional services in a post-Brexit environment. Some of those jobs may move to Europe; it is more likely that some may move over, probably to the US and Singapore, but if they are to move, they are likely to be of a back-office nature. If there is that movement of people, it is possible that those are the jobs that in 10 years' time will not exist, because of the technological revolution that is happening to financial services at this time.

Sir David Wootton: An example of a slightly different nature is in the world of insurance, where to write primary insurance and direct insurance of a car, you have to be an authorised insurer under EU rules. Many UK insurers—I know of one large business in London—are setting up an authorised insurer in Dublin. However, when you ask the fifth or sixth question, which is what they anticipate the impact on jobs in London will be, they say nil.

Q181 **Ian Murray:** Apologies for not being able to attend the whole session. I just want to follow up on Mr Seely's question about the impact on financial services. Obviously, the City of London is fundamental to the UK economy, but it also has a great connection with Edinburgh, the city that I represent. I just wonder what discussions you are having with colleagues in other cities, particularly Edinburgh. The Committee is going to Birmingham to hear of the experiences there.

Lord Mayor, given your answer on the fact that back-office functions are likely to be the ones that go first, and that Edinburgh is well-known for its back-office functions, I just wonder what kind of analysis you are doing of the role the City of London can play in making sure that places like Edinburgh stay strong as well as financial centres.

Charles Bowman: We recognise that, in large part, we are actually the ambassador and spokesperson for UK financial and professional services. I underline that 2.2 million people are employed across the country in that, with only 400,000 in the City. The Corporation has developed a regional strategy in the last year that has been all about focusing on working in partnership with other centres of excellence across the UK.

I spent three and a bit days in Scotland in January and had some very constructive dialogue during my day and a half in Edinburgh, where I met the First Minister, among others, including senior businesspeople, to work in the spirit of absolute collaboration, which was the key word that we used right the way through it. We offered the invitation to both her and financial services businesses to return to the City of London, which we received a warm reception to, which is very positive.

By way of example, I think the Scottish story is a very good one. We talked about FinTech a little earlier. I was delighted to be able to visit three growing FinTech businesses who recognise the central belt of Scotland for all its strengths—not least the strong educational environment and many of the other fundamentals that I made reference to.

We have two examples of, in fact, Australian-mothered companies developing their global centres of FinTech development in the central belt—Encompass and Computershare. They have chosen that spot above any other country in the world for very many good reasons. It is a good story.

Q182 **Chair:** You have heard that we are going to Birmingham on Thursday. Where else would you go if you were us and you wanted to hear about the foreign policy importance of the UK?

Charles Bowman: We talked about Belfast a little earlier.

Chair: We will be going to Belfast.

Charles Bowman: That is an important one. Maybe, to pick up on some of the smaller centres of excellence that we referred to, Chester or Bournemouth would be a sensible idea. You might look at Cambridge, from a tech perspective, because it is a critical element of the tech hub. Tech is a great asset that aligns very closely with Fin at this moment in time.

Chair: Thank you for your thoughts. Lord Mayor, thank you very much for sparing the time this afternoon. You have been extremely helpful.

Charles Bowman: Thank you for inviting us in. Our door is wide open if anybody wants to come. Just ring the doorbell on the Mansion House. We would be delighted to receive you.

Chair: You keep an excellent cellar as well. Thank you, Lord Mayor and Sir David.