

Speech: Lord Mayor's Business and Investment Dinner 2018

My Lord Mayor,

Ladies and gentlemen,

It is wonderful to be here tonight beneath the gold-tipped columns of the Egyptian hall.

In pride of place in my office I have a painting of Mansion House as a reminder of what this building represents as a symbol, over the centuries of how commercial success and civic order have been inseparable.

There is no thriving country that does not have thriving businesses.

And for that condition to be achieved the closest relationship between commercial and civil leadership is foundational.

This is embodied in the person of the Lord Mayor whose role is defined by a civic duty to the people and the businesses of this city.

In the 15th Century, Lord Mayor Whittington financed a new ward at St Thomas's hospital improved London's water supply and – in an early example of gender equality built a public lavatory with 64 seats for men and 64 seats for women.

In the 17th century during the great plague when the king and gentry fled the Capital the Lord Mayor stayed in the city to help its merchants and its citizens.

And in the 20th century, during the First World War one Lord Mayor created a volunteer 'National Guard'. While another offered a reward of £500 to the first person to bring down a Zeppelin on British soil.

Listening to the Lord Mayor just now I was struck by how this sense of civic duty is alive and well.

Indeed – the theme the Lord Mayor has chosen this year – 'the business of trust', puts this responsibility front and centre.

Business doesn't operate separately from the rest of society – we are all part of the same world.

And the world doesn't stand still.

Throughout our history we have together brought up to date the institutions and practices and rules that are part – but only part of underpinning our reputation for being a place where the world can do business with confidence.

That needs to continue.

Now is a period of particular reform.

The [Banking Reform Act](#) is applying the lessons of the financial crisis.

Boards are disclosing not only how they pay men relative to women but how executive pay is set, in the context of the employees as a whole.

The workforce and other stakeholders, like small business suppliers, will have a guaranteed voice in boardrooms.

And we will forcefully apply the lessons of particular failures from BHS to Carillion, so that our system of corporate governance and accountability is the best that it can be.

One of our most important assets we have as a nation is a deserved reputation for being a jurisdiction of high standards, in which investors are welcomed and encouraged and can invest with confidence.

In fact we have made the business environment one of the major focusses of our [Industrial Strategy](#).

So many people in this room whether manufacturers, providers of services, banks, insurers, lawyers, accountants and other professional advisers depend on that reputation being known and justified.

In an uncertain world – our hard-won reputation for high standards is a strategic opportunity for this reason, we commissioned Matthew Taylor to look at the implications for our world-renowned employment system.

As Matthew Taylor himself put it:

Our flexible approach is what the Review calls 'the British way', works.

By being the first country in the world to look at the implications of new technologies for the way people work, we want to be in the best possible position to benefit from them.

And through our Industrial Strategy we are determined to build on our reputation as an open economy where new businesses can be created easily, and which is characterised by competition rather than protection of incumbency.

So in the 'business of trust' that the Lord Mayor has promoted I think we can hold our heads up and say that we are together acting resolutely to improve our practices, so that they continue to be among the best in the world.

But in the 'business of trust' the reverse also needs to apply.

Businesses must have confidence that their voices are heard and acted upon.

Society needs to recognise how fundamental successful business is to all of us.

Let me give just one example.

In this room tonight we have a particular representation of people from financial and professional service firms.

Last year, the financial services industry paid more in tax than ever recorded – Over £70 billion.

That's one in nine pounds of all tax collected by the government. Well over half the annual budget of the NHS.

So to anyone who has been tempted to see the City and financial services in recent years as problematic, I say this: It is a problem that Paris, Frankfurt, Singapore and New York would kill to have.

So, as Lord Mayors have done over 800 years civic leaders need to understand and act upon the advice that businesses give them.

With our nation undergoing one of the most far-reaching adjustments to our settled policy since the last war, the business voice in our Brexit negotiations must be prominent.

Let me say clearly that I, and the Prime Minister, value the contribution of business organisations, their members and other bodies that take a pro-business view of the most important issue of the day.

Because the business view puts evidence before ideology.

The actual experience of trading with Europe, and the rest of the world, not a theoretical view of what the world might be like.

The actual experience, of how supply chains work not a speculation on how they operate.

The actual experience, of employing millions of men and women.

The experience of helping them earn a good living, of bringing prosperity to communities, not a abstract exercise in which you take decisions over the lives of people in imagined worlds.

So I will always listen to the voices of business and I will do everything in my power to ensure that they are not just heard, but acted upon.

I hear – loud and clear 3 things in particular that businesses need from our EU negotiations.

First, the implementation period needs to be agreed and recognised by regulators this month.

The implementation period was put forward directly by business.

It was taken up in the Prime Minister's Florence speech and agreed in the joint report in December.

Now we need to finalise the detail with the EU so that from this month, every business can be confident that for around 3 years ahead there will be no change in how they trade or the ability of EU citizens to come and work here.

Secondly, tariff-free and friction-free trade.

Our trading relationship with the EU has allowed the creation of deep, integrated highly efficient supply chains, and a large dependable market to allow production at scale.

These supply chains depend and millions of jobs depend on that trade continuing completely uninterrupted.

Yesterday I had the great privilege of being with Toyota at Burnaston in Derbyshire to announce that the new Auris model will be built in Britain.

85% of the cars produced at the plant are exported to the rest of the EU.

Components come in through the Channel Tunnel all through the day and night.

Only 4 hours of stock is held at the plant.

Toyota are crystal clear of the importance of unchanged access to the EU market both for cars and components.

Talking to men and women on the production line proud of their company, proud of their work, proud of what they have done to make Britain a success. It was clear how vital our responsibility is to secure their future and how wrong it would be to put it at risk by favouring ideology over evidence.

The third message I take from business is the importance of continuing to help shape high regulatory standards.

Our expertise and rigour is renowned around the world and we must continue to keep British experts influential in international and European standards organisations.

For large parts of the economy common regulations and standards have simplified trade and reduced costs to consumers.

And those sectors tell me they have no desire to create a distinct regime in the UK and they would anyway choose to follow agreed international, including European, standards.

In other parts of the economy I do understand that a more outcome-based approach may work better.

I welcome the innovative work being done by many of you here through the [International Regulatory Strategy Group](#) in setting out model arrangements for this.

But one thing is clear – I see no demand from business, Parliamentarians or society to move away from high standards.

Whether the frameworks under which our market operates such as competition policy or workers' rights, or broader issues such as the environment and climate change.

We are not about to embark on a regulatory race to the bottom.

That is not the economy we have built. And it is not the economy of the future.

And finally, I know very well that business wants certainty.

Not just about the next 3 years but on what our permanent relationship with the rest of the EU will be like.

Of course, certainty is available immediately.

But it is the certainty that would come with leaving without a deal – on WTO terms.

That is not the kind of certainty that I or anyone in business wants.

Instead I think we have to take our responsibility seriously to negotiate – constructively, creatively and with a determination to achieve a positive outcome.

But that will take time.

And you and others should have the right to see what we are looking to secure in the negotiations.

Tomorrow the Prime Minister will set out our intended approach.

You will see that the business view has not only been listened to but understood, and acted upon.

During the weeks and months ahead we will continue to need the experience, the expertise and the responsibility held by everyone in this room.

The 'business of trust' as the Lord Mayor has described it – the bond that unites commercial leadership and civil leadership, business and society, has been the foundation of our prosperity as a nation.

It is the truest guide to the decisions that we must make during the weeks and months ahead.