

Cicero/AMO News / May 2021



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It has been an incredibly busy month in the world of UK politics, with local elections and a by-election which saw the Conservatives continue to sweep aside Labour in its traditional north-eastern English heartlands. The SNP fell one seat short of winning an overall majority in the Scottish elections, with First Minister Nicola Sturgeon pledging to hold an independence referendum once the pandemic is over. Meanwhile, Scotland is also gearing up to hold climate conference COP26, which is now only six months away. We have also heard directly from former Prime Minister David Cameron on his lobbying activities - at Cicero/AMO we have long argued that lobbying rules need to be overhauled as they remain unfit for purpose.

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Lifting the lid on Lobbying - Time for Transparency

By Iain Anderson, Executive Chairman

Like many communicators, I found myself gripped by the recent Select Committee appearances by former Prime Minister and former corporate communicator David Cameron.

Minutes after his first appearance in front of the Treasury Select Committee ended, I was live on Times Radio talking to doyen political commentator John Pienaar.

John asked me the question I've regularly had to field from journalists over my entire career as a lobbyist: "Doesn't this once again show there is something bad about lobbying?"

For years public affairs has been painted as the darkest of arts. The Sunday papers regularly planned and implemented their sting operations on MPs and Peers. It was always great copy every six months or so. The Sunday morning shows would pump up the stories and often a minister might resign to save the PM embarrassment before PMQs.

Public affairs professionals would then have to make the point there were no lobbyists to be seen. But the media never really wanted to focus on that argument. There was no great copy in being the lobbyists friend.

The latest lobbying scandal really is a scandal. It has involved unregistered lobbying and has shown the 2014 legislation passed by David Cameron's own government to have utterly failed.

This time round media outlets - from the Financial Times to the Peston Show - have grasped the concept that there is a difference between good and bad lobbying. That the current legislation around lobbying is a mess. That things need to change.

This time round those who are lobbying are keener than ever to ensure they have the right governance around their public affairs work.

This lobbying scandal may have reset perceptions. I hope it also brings about wholesale change.

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UK Elections, Queen's Speech and Public Affairs Challenge

By Charlotte Adamson, Account Director & Head of Legislative Affairs

A strong showing in the local elections for the Conservative Party and the announcement that England can move to the next stage of lockdown easing set the scene for this year's Queen's Speech on 11 May – marking the State Opening of Parliament and setting out the Government's legislative agenda for the Parliamentary session ahead.

It therefore was not a surprise to see Prime Minister Boris Johnson looking jubilant while the Queen read out the key Bills his government will bring forward this session. Whilst the agenda is relatively ambitious in terms of the number of Bills – 30 this year compared to 22 and 26 Bills in the two Queen's Speeches in 2019 – the Opposition have been quick to criticise the Government for a perceived lack of ambition in terms of what it sets out to achieve with this legislative agenda.

This may not be without merit. Of the flagship Bills announced, the Environment Bill – important to signal the Government's green credentials ahead of COP26 later this year - was actually introduced in the previous session and has been carried over. The Planning Bill, set to make the planning system faster, simpler, and more modern, has attracted early criticism from Conservative backbenchers, who are concerned it will lead to a free for all for developers and ignore local views, whilst the property sector remains underwhelmed. And the Online Safety Bill, which has been in the works for nearly two years, is still only in draft form, yet to undergo its pre-legislative scrutiny stage.

One area where the Government is certainly not without ambition is its proposals for constitutional reform. Of these, perhaps the most significant in terms of shaping the political landscape in the years ahead is the Dissolution and Calling of Parliament Bill, which will repeal the Fixed-term Parliaments Act (FTPA) 2011, which requires a majority of two thirds of MPs to call an early election.

Instead, this proposed legislation reinstates the previous constitutional principle that the Government of the day has the confidence of parliament and can seek a fresh democratic mandate when it is needed.

This may not be controversial in and of itself: there has been broad agreement that the FTPA is significantly flawed after early elections in 2017 and 2019 proved both that snap elections remained a feature of the UK political landscape and that the Government of the day could override the FTPA if needed. But allowing the Government to call a general election at the time of their choosing naturally opens us up to speculation around when the next election will be.

Spring 2023 now looks to be most likely. This date is compelling for the Government for three main reasons: the first is that the Government could stretch to this point without making significant tax changes to start recovering the debt accrued during the Coronavirus crisis. It is never a good idea for a government to hike taxes just before an election, so if this Government can avoid it, they will. Secondly, the Scottish election results have allowed First Minister Nicola Sturgeon to claim that the matter of a second referendum is “when not if”. She has reiterated her aim to hold this by the end of 2023, but a general election the same year may scupper this plan. And lastly, the timing may prove to work well in terms of the economic recovery following COVID-19. Johnson has certainly benefited from a ‘vaccine bounce’ in the polls and will hope that by 2023 the country has moved significantly forward in both its health and economic recovery under his leadership, whilst of course avoiding giving Labour the time to start winning back votes.

For public affairs professionals, spring 2023 still feels some way off. But if we do see the next election around that time, it may mean that this parliamentary session is increasingly important in delivering a period of focus for MPs in Westminster before the priority turns back to fighting for their seats.

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COP26: Are chances of a physical climate conference zooming away?

By Sophie Duley, Account Executive, Public Affairs

With COP26 less than six months away, pressure continues to mount on the UK Government to showcase global co-ordinated action in tackling climate change. In the words of the COP President, Alok Sharma, “Whether we like it or not, whether through action or inaction, we are now choosing the future. This is what makes the next United Nations climate conference in Glasgow, COP26, so critical. If we do not take this chance to keep [a global rise of] 1.5 degrees alive, it will slip from our grasp. And so will our best hope of building the future we want to see. So, COP26 must be the moment that every country, and every part of society, embraces their responsibility, to protect our precious planet.”

Whilst Sharma is busy conducting shuttle diplomacy, non-state actors want to know whether they will be physically present in the conference’s ‘green zone’ or virtually present on Zoom. Sharma understandably wants the former and has repeatedly insisted that there is consensus amongst climate ministers that in-person discussions are vital to the success of the negotiations.

However, the official delegation alone usually consists of around 9,000 global attendees, and the practicalities of the drastic variation in vaccination rates around the world brings forth a harsh logistical question. Head of the United Nations Environment Programme, Inger Andersen, stated recently in the Financial Times (FT) that a faster global vaccine rollout would enable COP to meet physically, referring to this issue as one of “the vaccines ‘haves’ and the vaccine ‘have nots’”. It raises several highly sensitive political questions that will dominate international discussions over the next few months. Non-state actors fear that the focus over the next few weeks will be more on the logistics of COP rather than concrete outcomes.

In a recent major speech in Glasgow, Sharma argued that he has “always championed a physical COP”, stating that the desire for one is “what I have been hearing loud and clear from governments and communities around the world.” Along with the Scottish Government, Glasgow City Council, Public Health bodies and the United Nations (UN), the UK Government is exploring several possible COVID-19 security measures, including testing and vaccinating attendees ahead of the conference. Further plans are expected to be revealed following the conclusion of COP Bureau discussions in mid-June: the consequences of which, above all else, are likely to define the ultimate success of COP26.

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Reflections on UK FinTech, One Month in...

By Sameer Gulati, Head of FinTech

Having joined Cicero/AMO as the Head of FinTech in April 2021, the last month has seen a flurry of activity for the UK's Financial Technology sector.

We've seen the publication of the Kalifa Review into UK FinTech, the UK Listings Review chaired by Lord Hill, and a number of announcements following UK FinTech Week, of which a non-exhaustive list includes HMT Treasury / Bank of England's taskforce on digital currencies, the Financial Conduct Authority's (FCA) Regulatory 'Scalebox', and the UK Department for International Trade's (DIT) FinTech Export Academy and FinTech Champions Scheme.

Of course not everything has been rosy, as the shadow of the Greensill scandal (to some arguably a FinTech firm, and to others not), looms large - having since spawned several independent and parliamentary inquiries into the role of "secret lobbying" at the heart of Government. So where does all this leave the UK's FinTech sector moving forward?

Following Chancellor Rishi Sunak's written ministerial statement in response to the Kalifa Review, it's clear the Government sees the sector as the future for financial services, and one which is more open, greener, and technologically advanced. However, for FinTech to be a key component of this future much still needs to be done.

On capital raising, whilst UK FinTech continues to punch above its weight having secured £2bn across 117 deals in Q1 2021, there remains a £2bn annual growth funding gap which risks FinTechs scaling their operations elsewhere. Whilst the Kalifa Review recommends a £1bn FinTech Growth Fund deployed over 5 years, this would cover only approximately 10% of the total funding gap. As such, we need to think about the entire funding life cycle, with a view that whilst private market intervention will help, it is equally important to ensure the path towards IPO remains flexible, and internationally comparable for scalable FinTechs. On this, the Listings Review and the FCA's consultation paper on special purpose acquisition companies (SPACs) will be instrumental.

Looking at talent and skills, a perennial issue facing FinTechs has been the depth and diversity of its talent base. As June Angelides MBE, Principal at Samos Investments noted during UK FinTech Week "female founded FinTechs account for only 17% of the UK's

total venture capital investment in FinTech" and black founders have been found to systematically lack access to networks, or institutional investors. Accordingly, it will be important to engage earlier in the career pipeline to ensure there is equality of progression and continue to encourage diversity in STEM roles. Added to this is a lack of role of data - from drop-out rates for different subjects, to understanding and benchmarking the socio-economic background of senior leadership. In summary, it's hard to have a vision for where the UK should aim tomorrow without first knowing where we are today.

And finally, as several commentators have suggested, it is very possible that COVID-19 has acted as a digital accelerant for broader financial inclusion. Whilst there are still one million people in the UK without a bank account, within the first month of COVID-19 6m people downloaded a banking app for the first time.

As such, as the UK starts to provide a roadmap for policy drivers such as Digital ID, cross-regulatory sandboxes, and the transition to Open Finance much remains to be written for the future of the UK's Financial Technology sector.

For more information about Cicero/AMO's FinTech offer, please contact:

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Meet the Cicero/AMO team

Judith Becker, Chief Operating Officer

Judith joined the team in the summer of 2008 as an intern and is now the Chief Operating Officer of Cicero/AMO. Additionally, she oversees the political monitoring team and the development and maintenance of Cicero Pulse, our online monitoring portal. She developed the service from its UK and EU financial services roots to cover multiple jurisdictions and sectors, serving clients across the globe during the past decade.

During the pandemic, she finished a part-time degree in Global Finance and now she is very much looking forward to the further relaxation of travel restrictions in the coming months. Judith is keen to be able to travel to see her family in Germany, Mexico and the US regularly again as not being able to see them has been one of the toughest restrictions of the COVID pandemic for her.



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Chanice Smith, Account Manager, Corporate Communications

Chanice is an Account Manager in Cicero/AMO's Corporate Communications team and a former journalist. She advises clients in the financial and professional services sectors, with a focus on (re)insurance, capital markets and cryptocurrencies.

Outside of work, Chanice loves to travel – and can't wait for the day we will be able to do this safely again – and look after her many pets, including five snakes, two cats and a tortoise.

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Cicero/AMO highlights



1. PR Week rankings: We are delighted to announce we are ranked second in the 2021 PR Week Public Affairs rankings tables. After two years at #1, the challenges presented by the pandemic, and increased competition from mergers and acquisitions in the market this is a brilliant result – thanks to everybody on the team and, of course, to all our clients for your ongoing support.

2. Mace Magazine nomination: Cicero/AMO Executive Chairman Iain Anderson and UK Public Affairs Managing Director Tom Frackowiak were both named among the Top 100 Political Consultants by Mace Magazine, the Who's Who politico guide to the most important individuals and firms in British politics

3. Women's Network: In May Cicero/AMO launched its Women's Network and held its inaugural event with Tracey Barber, Chief Marketing Officer at Havas, one of the world's largest global communications groups. She gave some interesting insights for whatever stage you are at in your career including:

- Don't leave a meeting without adding value: be that contributing, asking an important question, or following up after the meeting with some thoughts.
- Don't be afraid to reach out to senior people for advice: the chances are they will respect you for being proactive and will want to find time to help you.
- And, perhaps most important, have fun at work, and love your job. Don't take it too seriously: try new things, if these work the benefits can be enormous, but if they don't the consequences will likely be small.



The session welcomed (left-to-right) Tracey Barber, CMO, Havas, to speak with Louise Stewart, Strategic Counsel, Cicero/AMO & Parisa Namazi, Director of Talent, Cicero/AMO