

# Subject: The Europe Report

**Report to: Economy Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 September 2014**

**This report will be considered in public**

## 1. Summary

- 1.1 This report sets out the background to the Committee's discussion of *The Europe Report* with the Mayor's Chief Economic Advisor, Dr Gerard Lyons.

## 2. Recommendation

- 2.1 **That the Committee notes the report, puts questions to the Mayor's Chief Economic Advisor on *The Europe Report* and notes the discussion.**

## 3. Background

- 3.1 The Mayor's Chief Economic Advisor, has conducted for the Mayor a review of London's relationship with the European Union (EU) in July 2013. It was anticipated that the final report from this review would be published in early 2014. However the report was delayed beyond this date; *The Europe Report: A win-win situation* was published on 6th August 2014. It is available here: [http://www.london.gov.uk/sites/default/files/europe\\_report\\_2014\\_08.pdf](http://www.london.gov.uk/sites/default/files/europe_report_2014_08.pdf)
- 3.2 Dr Lyons authored the report with support from GLA Economics. The consultancy Volterra was commissioned to provide economic modelling. Dr Lyons stated to the Committee in July that it was an "independent" report, with the Mayor having no direct impact on it and not seeing a draft until July.<sup>1</sup> The Mayor spoke at the launch of the report in August and endorsed its findings.
- 3.3 The report identifies the implications of various economic and political scenarios, with regard to the UK-EU relationship. The central conclusion of the report was that the best economic outcome for London – defined by growth in regional Gross Valued Added and employment – would come from the UK remaining in the EU, but only if substantial reforms were introduced, for instance completion of the single market in services. If these reforms are not introduced, the best outcome would come from the UK leaving the EU and using this opportunity to reform the domestic economy.

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<sup>1</sup> Economy Committee meeting, 17 July 2014. The minutes and transcript of this meeting are available at: <http://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=255&MIId=5353&Ver=4>

#### **4. Issues for Consideration**

- 4.1 The Committee has invited Dr Gerard Lyons, the Mayor's Chief Economic Advisor, to discuss *The Europe Report*.

#### **5. Legal Implications**

- 5.1 The Committee has the power to do what is recommended in this report.

#### **6. Financial Implications**

- 6.1 There are no direct financial implications arising from this report.

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**List of appendices to this report:** None

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None
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