

A roadmap for economic recovery

The role of financial and related professional services

Summary

Covid-19 has had a huge impact on the UK and the rest of the world, unleashing an unprecedented public health emergency and economic crisis which will shape the global economy for decades to come. While the direct impact of the pandemic has been far reaching, it has also accelerated or accentuated other trends that were already in train: the international slide towards protectionism and isolationism; the changing relationship between the UK and its largest single market; regional disparities of wealth, investment and opportunity; a drive for greater diversity, inclusion and equality in business and society; an urgency to address climate change; and rapid technological transformation.

These are all significant challenges, but they are not insurmountable. There are substantial opportunities and as a strategic national asset, the financial and related professional services industry recognises the role it can play in driving change and supporting economic recovery. In our report 'A roadmap for economic recovery', we set out how.

The report makes a range of recommendations straddling these fundamental challenges – many that the industry can take forward itself, but others that require it to collaborate with government and regulators. These range from using its unique global position to make the case for open markets, to placing digital trade in services at the heart of future Free Trade Agreements and empowering local leaders to build and promote our many thriving industry hubs across the country.

This will be built on three pillars:

1. Channelling the underlying strength of our industry: the UK's biggest taxpayer and largest net exporter, responsible for more than 10% of economic output and employing more than 2.3 million people, two thirds of them outside London.
2. Building on the role that the industry has fulfilled in the crisis so far as a shock absorber: delivering government-backed loans to more than 1.6 million companies at pace, offering holidays on mortgage and loan repayments to customers, providing crucial legal and professional advice to businesses and people up and down the country, ensuring markets continue to operate efficiently and seamlessly, and offering long-term finance so that, ultimately, savers' and pensioners' money can continue to grow.
3. Taking the action, in concert with government and regulators, that will harness the full potential of the industry to act as a powerful engine for economic recovery, fuelling employment, helping to realise opportunity across the nation and driving the country forward together.

The UK is at a crossroads and financial and related professional services can help steer it in the right direction. While the path ahead remains uncertain as we tentatively emerge from the health crisis, the industry's role is to be part of the solution. It cannot do this alone but, in partnership with government and regulators, it is determined to play its full part.

Summary of recommendations

Levelling-up

- Levelling-up as a concept needs further rigour, to be hardwired into government thinking and have clear and effective measures of success.
- Levelling-up requires a national focus with a ministerial champion and dedicated delivery team to join up government activity and align it with regional strategies across the country.
- Local and regional leaders must ensure place-based strategies are informed with industry insight.

Industry skills and talent

- Increase action on diversity and inclusion across the industry, promote best practice and collaboration and accelerate efforts to collect and report workforce diversity data.
- Double-down on industry commitments to mentoring, youth and mobility schemes.

- Give greater focus to upskilling and reskilling in key areas across the industry to build skills for the future.
- Government investment in skills and training needs should align with the skills needs of business and be accessible.

Technology

- Accelerate the development of resilient digital systems and infrastructure to enable all parts of the UK to benefit from the future of financial and related professional services.
- Prioritise the development of digital identity in the UK.
- Create a diverse public-private forum to drive greater digital adoption and literacy among UK consumers.

Regulation

- Prioritise the regulatory pipeline to focus on pro-recovery and investment measures.
- Consult on proposals to unlock capital through regulatory reform.
- Take forward interventions to mitigate impacts of economic cycles and enhance focus on procyclicality.

International trade and investment

- Encourage countries to coordinate Covid-19 economic policy measures – through cooperation on trade-related aspects of Covid-19 recovery plans and coordinating strategies around Covid-19 related investment.
- Put digital trade in services at the heart of ambitious Future Trade Agreements.
- Prioritise building coalitions of supporters of open trade.
- Ensure closer coordination between industry and government to promote greater liberalisation of trade.

Related professional services

- Maintain and build the global competitiveness of the UK's related professional services sectors.
- Acknowledge and promote the importance of English law, the rule of law and UK legal services.
- Focus on talent, mobility, and data through the development and retention of domestic talent, securing access to international talent, recognition of professional qualifications and cross-border flow of data.

Sustainability

- Government and industry must work in partnership to advance sustainability goals.
- Government should ensure that the right incentive structures are in place.
- Government and industry should continue to encourage international collaboration, including by leveraging the UK presidency of COP26.

Tax

- Ensure the UK tax system supports long-term, sustainable economic growth to maximise the financial and related professional services industry's contribution to economic recovery.
- Tax policy changes should be clear, consistent and developed through consultation to continue to attract businesses to the UK.
- Consider how the international nature of the UK-based financial and related professional services industry can be maximised for the benefit of the UK's economic recovery.

Click [here](#) to read the full version of the 'A Roadmap for Economic Recovery' report