

Taskforce to boost socio-economic diversity at senior levels in UK financial & professional services

MAY 2021 – NOV 2022 | #WhoGetsAhead

HM Treasury and The Department for Business, Energy & Industrial Strategy (BEIS) have commissioned the City of London Corporation (CoLC) to lead a taskforce to boost socio-economic diversity* at senior levels** in UK financial and professional services.

With thanks to Norton Rose Fulbright for supporting the production of this document.


Commissioned by:



NORTON ROSE FULBRIGHT



HM Treasury



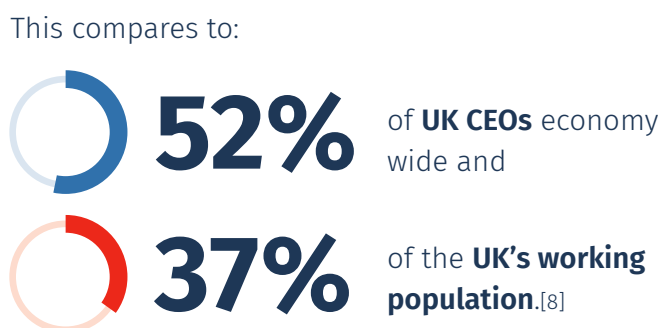
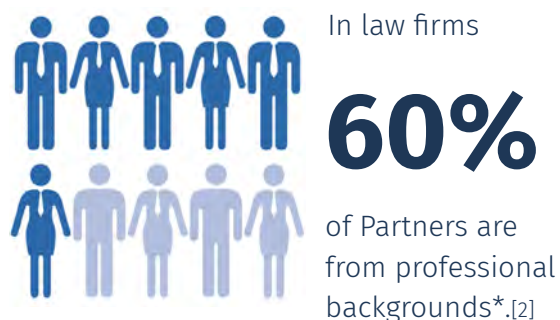
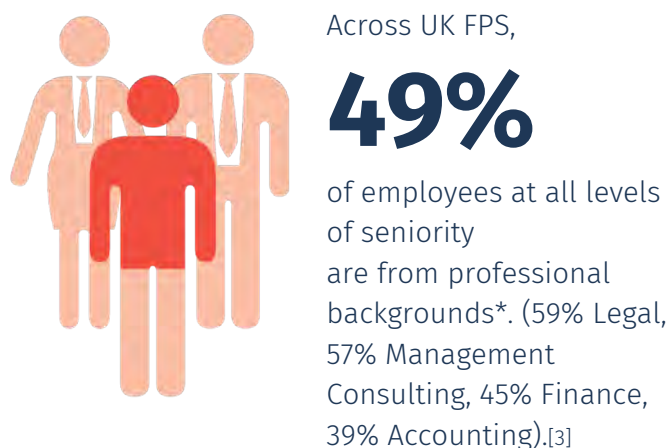
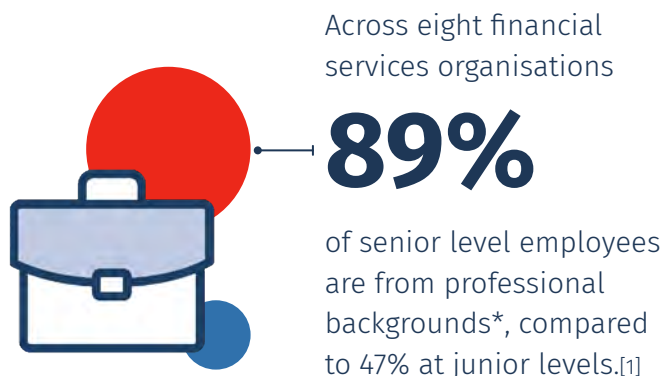
Department for
Business, Energy
& Industrial Strategy

* Socio-economic background defined by Parental Occupation at age 14

** Senior defined as Partner, Non-Executive Board, Executive Committee and two levels down

Why is the taskforce needed?

There is a lack of socio-economic diversity at the top in UK Financial and Professional Services (FPS)



“

“We’re entering a new chapter for UK financial services and it’s vital that firms have the right leadership to grasp the opportunities ahead. That means taking action to ensure that talented people from all backgrounds and parts of the country can reach their full potential. By breaking down socio-economic barriers to progression, our financial services sector will become more innovative and competitive, and help to level up the UK.”



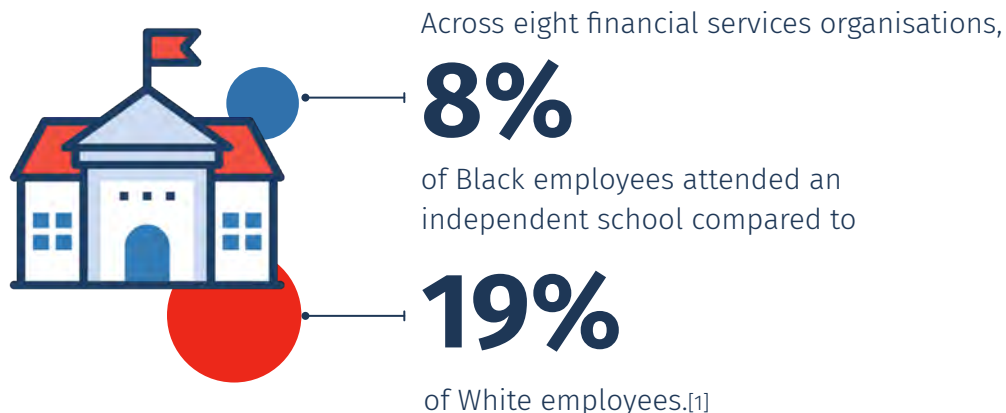
John Glen MP,
Economic Secretary to
the Treasury

* Socio-economic background defined by Parental Occupation at age 14

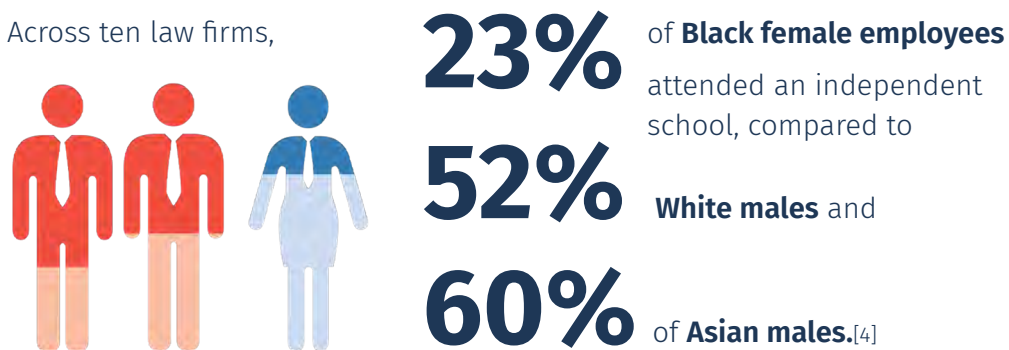
Greater socio-economic diversity provides an opportunity to:

Meet broader diversity and inclusion objectives

There is intersectionality between socio-economic background and other characteristics:



Across ten law firms,



This compares to a national average of 7%.

“

“If, as a sector and as a nation, we want to maximise productivity, boost our economy, and ultimately create jobs, we must take a long hard look at who ‘gets ahead’ and how. To be globally competitive, we must be led by performance, and not just polish. I am proud to lead this taskforce for Government. It fits squarely with the City Corporation’s 10 year Social Mobility Strategy, and complements our role as an Academy sponsor.”



Catherine McGuinness,
Chair of the taskforce
Chair of Policy and Resources,
City of London Corporation

Greater socio-economic diversity provides an opportunity to:

Access a wider pool of talent



There is a risk that high performing talent will migrate to other more inclusive sectors.

There is a

£5k class pay gap* in the tech sector versus

£17.5k in financial services.[6]

*This is the earnings gap among those from working in finance between those from professional/managerial backgrounds and working-class backgrounds in the ONS Labour Force Survey.

“

“This Government is acting to support talent irrespective of background to strengthen the leadership and competitiveness of the financial services industry in the UK.

People with diverse experiences and backgrounds bring fresh perspectives and creative solutions to problems, and this is vital to success in any sector.

I look forward to working closely with the taskforce to further strengthen the UK’s financial and professional services sector and its global reputation, by promoting inclusion and merit across the industry.”



Lord Grimstone of Boscobel Kt
Minister for Investment

Greater socio-economic diversity provides an opportunity to:

Boost productivity



Employees educated at state schools are

75%

more likely to feature in the top decile of performers than those educated at independent schools, when looking across seven law firms.^[5]

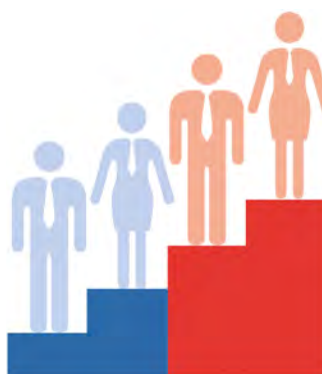


Across ten law firms, employees from lower socio-economic backgrounds take

18 months

longer on average to reach partnership, compared to their colleagues from high socio-economic backgrounds.^[4]

* Socio-economic background defined by Parental Occupation at age 14



Across eight financial services firms, employees from non-professional backgrounds* progress

25% slower

than peers, with ZERO link to performance.

This rises to 32%

for employees who also identify as Black. These employees are exhausted by efforts to conform to dominant cultures, impacting individual performance.^[1]

Maximise global competitiveness



The UK is ranked

21st

in the World Economic Forum's Global Social Mobility Index - outperformed by rival global centres USA, Singapore, Japan, Germany on lifelong learning.

The need to upskill a broad range of talent is promoted by both the **Financial Services Skills Commission** and the **Professional and Business Services Council**. Individuals from non-professional backgrounds are less likely to access training. ^[7]

Vision



There is equity of progression - where high performance is valued over 'fit and polish'



1

Co-Chair

Sandra Wallace

Partner and Joint Managing Director UK & Europe at DLA Piper. Interim co-chair of the Social Mobility Commission

Output: Industry consultation and roadmap on how Government, regulators and sector bodies can incentivise employer action on socio-economic diversity at senior levels across UK financial and professional services.



2

Co-Chair

Alderman Vincent Keaveny

Senior Alderman, City of London Corporation. Partner at DLA Piper

Output: A membership body/peer network for financial services employers (akin to Access Accountancy or PRIME but focused on progression). A safe space to share best practice and benchmark against sector peers on socio-economic diversity at senior levels.



3

Co-Chair

Andy Haldane

Outgoing Chief Economist at Bank of England and incoming CEO at Royal Society of Arts, Manufactures and Commerce

Output: Report on the productivity impacts of increasing socio-economic diversity at senior levels across UK financial and professional services.

Delivery Partner: **Deloitte.**

Delivery Partner: **MY KINDA FUTURE** ▶

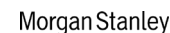
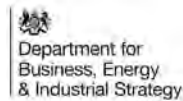
Delivery Partner: **pwc**

Organisations involved in the taskforce



*Strategy Steering Group:
Sets overarching vision and strategy*

*Taskforce members plus regulators as observers:
Approves strategy for their workstream*



Organisations involved in the taskforce



Advisory Board:

Champions, advisors and critical friends - across all three workstreams



Our Taskforce (36 members) and Advisory Board (56 members) comprise of: 23% BAME, 42% Female, 41% from non-professional backgrounds (by parental occupation at age 14)

Organisations involved in the taskforce



*Working group members:
Practitioner insight/guidance*



Roadmap to Success

You can join our movement through a number of ways:

INFORM

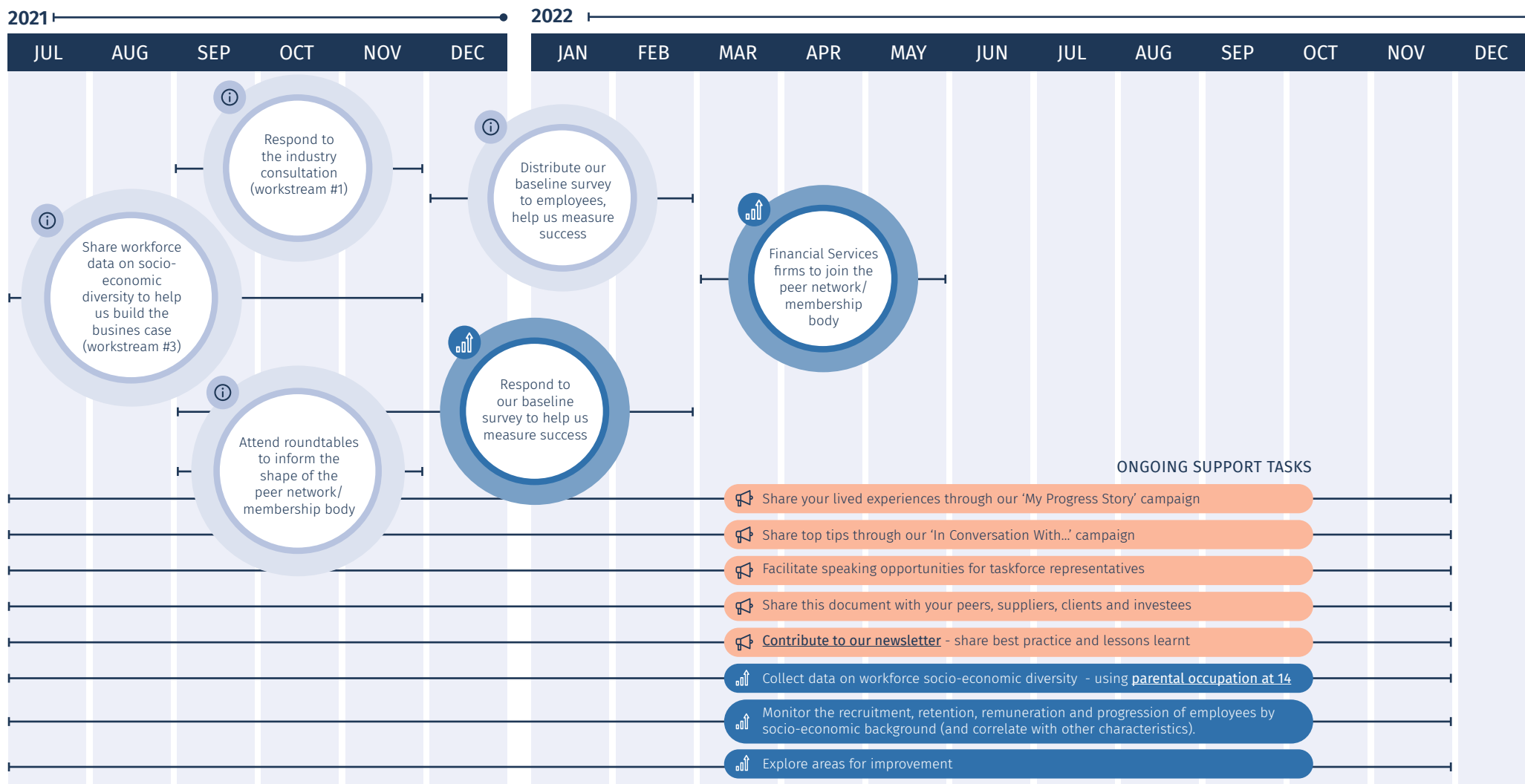
Be a game changer and shape the outputs of the taskforce
- find out how by [suscribing to our newsletter](#)

INFLUENCE

Raise awareness of the need for greater socio-economic diversity
at the top - find out how by [suscribing to our newsletter](#)

IMPROVE

Create a baseline and develop an action plan for success



In return, you'll receive



- ✓ Ideas and top tips, speakers for your events.
- ✓ Profile for your organisation.
- ✓ A focus for collaboration and engagement with clients.
- ✓ Invitations to taskforce events.
- ✓ Opportunity to boost employee engagement and meet broader diversity and inclusion objectives.
- ✓ Greater input into the Government's levelling up and Productivity agendas.

Get involved

To get regular updates on the taskforce, [sign up to our quarterly newsletter](#).

If you would like more information, please contact socio-economicdiversity@cityoflondon.gov.uk

Tag us on social media using #WhoGetsAhead.

www.cityoflondon.gov.uk/whogetsahead

References

- [1] The Bridge Group (2020). Who gets ahead and how? <https://www.thebridgegroup.org.uk/news/seb-in-finance>
- [2] Solicitors Regulation Authority (2019). Law firm diversity data tool. <https://www.sra.org.uk/solicitors/resources/diversity-toolkit/law-firm-diversity-tool/>
- [3] Social Mobility Commission (2020). Financial and professional services toolkit. <https://socialmobilityworks.org/toolkit/financial-and-professional-measurement/#progression>
- [4] The Bridge Group (2020). Pathways to partnership: challenging the myth of meritocracy. <https://www.thebridgegroup.org.uk/news/partner-law>
- [5] Social Mobility Commission (2020). Socio-economic diversity and inclusion Employers' toolkit: Cross-industry edition. https://socialmobilityworks.org/wp-content/uploads/2020/01/SMC-Employers-Toolkit_WEB.pdf
- [6] Laurison, D and Friedman S (2020). The Class Ceiling: Why it Pays to be Privileged. Bristol University Press, Policy Press. Edition 1. (ISBN: 978-144733610)
- [7] Social Mobility Commission (2020). Learning ladders: The role of adult training in supporting progression from low pay. Available at: <https://www.gov.uk/government/publications/learning-ladders-adult-training-and-progression-out-of-low-pay>
- [8] Social Mobility Commission (2021). Simplifying how employers measure socio-economic background: An accompanying report to new guidance. Available at: https://socialmobilityworks.org/wp-content/uploads/2021/05/Summary-report-on-measurement-changes_FINAL-Updated-May-2021.pdf



Socio– Economic Diversity Taskforce



Join the many organisations who are already supporting this Government commissioned taskforce – working towards greater socio-economic diversity at the top. Help create change across the UK's Financial and Professional Services sector.

For further information on how to get involved, please contact the City of London Corporation's Taskforce Team.

Email: socio-economicdiversity@cityoflondon.gov.uk

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