

Committee(s): Policy and Resources Committee - For Decision	Dated: 8/06/2023
Subject: Socio-Economic Diversity Taskforce	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 5 & 8
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	Up to £75k per year (including in-kind support)
What is the source of Funding?	Section 106 funds ringfenced for Skills
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: Damian Nussbaum, Executive Director of Innovation and Growth (IG)	For decision
Report author: Olivia Larkin, Head of Skills Policy, Innovation and Growth (IG)	

Summary

[Evidence](#) shows that 89% of senior leaders in UK financial services come from higher socio-economic backgrounds, compared to 52% of UK CEOs. In response, in 2020 HM Treasury and the Department for Business, Energy & Industrial Strategy [commissioned](#) the City Corporation to lead a two-year independent taskforce.

Involving over 100 senior stakeholders, the Taskforce achieved four core outputs:

- Sector wide data on socio-economic backgrounds and career progression, setting a baseline to track progress.
- Recommendations for employers, Government, regulators and sector bodies from an industry wide consultation.
- A business case to highlight how boosting socio-economic diversity at senior levels can increase access to talent, productivity and innovation.
- A new not-for-profit membership body: a safe space for employers to share best practice. Progress Together is chaired by the former Lord Mayor Alderman Vincent Keaveny and was a core part of his mayoral theme. In February 2022, the Policy & Resources Committee [agreed to be a Founding Partner](#) of Progress Together for one year.

Recommendation(s)

Members are asked to:

- Agree to renew the City of London Corporation's status as one of [Progress Together](#)'s Founding Partners for a further two years with £52,500 of additional support from Section 106 (S.106) funds in 2023/2024, and a maximum of £75,000 in 2024/2025. Any contribution will again come from Section 106 planning contributions, [agreed](#) by the committee and ringfenced for skills. We are not seeking additional resources outside of these available funds. This would ensure our commitment matches the commitment from the other 11 Founding Partners such as Fidelity, Man Group and Santander.
- Agree to Delegated Authority being granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to agree the sum to be released, to agree the exact nature of support for Progress Together and to implement the agreed support measures (subject to the measures being within the Terms of Reference of Policy and Resources Committee and within the agreed sum).

Main Report

Background

1. In order to boost productivity and levelling up opportunities, HM Treasury and the Department for Business, Energy and Industrial Strategy [commissioned](#) the City of London Corporation to lead a two-year independent [taskforce](#). Launched by Ministers John Glen and Nadhim Zahawi in 2020, the taskforce intended to improve socio-economic diversity at senior levels in UK financial and professional services. As Minister John Glen said publicly, *"this is not only the right thing to do, it is the smart thing to do"*.
2. The Taskforce convened over 100 organisations across UK financial and professional services. It was led by a Strategy Steering Group:
 - a. Catherine McGuinness (Chair of the Socio-Economic Diversity Taskforce and Former Policy & Resources Chair at City of London Corporation)
 - b. Alderman Vincent Keaveny (Chair of Progress Together and former Lord Mayor of the City of London 2021/2022)
 - c. Sandra Wallace (Partner and Joint Managing Director for UK & Europe at DLA Piper)
 - d. Andy Haldane (CEO at RSA, Chair of Levelling Up Advisory Council, and former Chief Economist at Bank of England)
3. Working with three delivery partners, PwC, Deloitte and Connectr, the Taskforce achieved four core outputs:
 - a. An evidence base. Data on the socio-economic backgrounds and career progression from over 9000 FPS employees. Setting a baseline to track progress.
 - b. Recommendations for employers, Government, regulators and sector bodies from an industry wide consultation.

- c. A business case to highlight how boosting socio-economic diversity at senior levels can increase access to talent, productivity and innovation.
 - d. A new not-for-profit membership body, Progress Together, chaired by the former Lord Mayor Alderman Vincent Keaveny.
4. Over the course of the Taskforce, the City of London Corporation spent £142k of S.106 planning contributions and received approximately £300k in pro bono support.
5. In February 2022, the Policy & Resources Committee agreed to be a Founding Partner of Progress Together for one year (2022/2023). This was in the form of a 6 month secondment to their CEO position (in-kind, valued at £44,200), £8k to PwC for tax advice and £22.5k for support of its mentorship circles and production of a toolkit for members.

Current Position

6. Although the Taskforce has ended, its aims have not. UK financial and professional services firms are encouraged to follow the [Recommendations Report and Five-Point Pathway](#) and use [Who Gets Ahead: The Business Base report](#) to drive action. Those in financial services are encouraged to join [Progress Together](#). Through doing this, together we can break the class barrier. We intend to host a one year on event to track progress.
7. With the support of its Founding Partners and Members, Progress Together has already signed up 29 members from across the UK's financial services sector, representing 30% of the UK's financial services workforce. Its vision is for parity within member firms, meaning socio-economic backgrounds at the top mirror socio-economic backgrounds at the junior levels.
8. Each Progress Together member has committed to collect employee socio-economic background data and appoint an accountable executive responsible for progress. Since the programme launched in November 2022, members have benefitted from two workshops, seven webinars and three mentoring circle sessions, covering topics such as culture, data collection, and access to senior sponsors. In September 2023, the CEOs and executive sponsors from member firms will come together to review their combined (anonymous) workforce data.
9. In return for its position as Founding Partner, the City of London Corporation has received public profile (including logos at events and on website, public mentions at events, opportunities to put forward speakers for events, etc.), access to events and workshops, guidance and support for the Corporation on its journey to improving socio-economic diversity, and the opportunity to work with others from the financial services in the space and learn from best practice.

Proposals

10. The City Corporation's commitment in 2023/2024 would require up to £52,500 of additional support from S.106 funds, plus a maximum of £75,000 in 2024/2025. As a Founding Partner, it is proposed that the City of London Corporation renews its commitment is to raise the profile of Progress Together and encourage UK financial services employers to join. There are another 11 Founding Partners.
11. Resourcing of the City Corporation's support for the membership body can be met from Section 106 funding, already approved by your committee and ringfenced for skills work (see Appendix 2). To comply with planning policy, the support would either be in-kind (venue space, secondees) or financial support of a specific programme of work undertaken by the body.
12. The City Corporation should continue its commitment to promoting and supporting the agenda and aims of the Socio-Economic Diversity Taskforce beyond its completion. The most important step in doing this is by following the Five Point Pathway from the Recommendations Report.
 - a. The proposal to follow the Five Point Pathway was put to the Equality, Diversity & Inclusion Sub Committee for approval.

Corporate & Strategic Implications

Financial implications

13. £52,500 of additional support from Section 106 funds in 2023/2024, plus a maximum of £75,000 in 2024/2025. This would include in kind support.

Strategic implications

14. The Taskforce aligned with the "supporting a thriving economy" aspect of the City of London Corporation business plan by modelling a new way of delivering a more inclusive and sustainable growth. It also has helped identify the skills shortages and ability to invest in relevant skills and diverse talent pools in the City.

Resource implications

15. The Head of Skills Policy, Olivia Larkin, would be required to attend quarterly Founding Partner meetings and share feedback on Progress Together plans and focus areas.

Risk implications

16. Reputational risk of not working towards improving this strand of diversity and inclusion after championing it in the financial and professional services sector and asking other firms to support Progress Together as Founding Partners or Members.

Equalities implications

17. Positive. The Taskforce has worked towards improving socio-economic diversity at senior level in UK financial and professional services. Supporting Progress Together continues to display the Corporation's commitment to socio-economic diversity and wider ED&I.

Climate implications

18. Indirectly positive - the Taskforce worked on a strand of ESG skills.

Security implications

19. None

Conclusion

20. This report recommends the City of London Corporation's continued support of Progress Together and continuing to play a proactive part in advancing the improvement of socio-economic diversity in the financial and professional services sector.

Appendix 1: S106 Skills Funding

Skills work is resourced via Planning obligations (often called section 106 agreements) funds that are ringfenced for skills work. On 14th October 2021, your committee approved the release of three years of section 106 funding to support Innovation and Growth work on skills, in support of the corporate plan. Members are asked to approve an allocation, from within these agreed these funds, to enable City Corporation support for the body. The value of any support will be agreed in discussion with the Town Clerk and Chair of Policy.

As of 31 January 2022, the available Section 106 monies totalled £1,080,707. Further figures were not available at the time of writing. An oral update will be provided at Committee. Any contribution for the membership body will come from these available funds, ringfenced for skills. We are not seeking additional resources outside of these available funds.

In line with City Corporation's Supplementary Planning Document, this funding enables the City Corporation to "*work with partners and neighbouring boroughs to promote employability, provide jobs and growth and deliver a diverse and inclusive workforce.*" Funding will allow the body to be established, leading to a programme of specific initiatives on inclusion and diversity, supporting disadvantaged City workers into roles, specifically those from lower socio-economic backgrounds. Reporting on the impact of the membership body will be through the City Corporation's Annual Monitoring Report.

Background Papers

[Policy & Resources Paper Approved for Support of Progress Together, February 2002](#)

[Policy & Resources Paper Approved for Section 106 Funds to be spend on Future Skills and Talent, October 2021](#)