# CBI

# London Business Survey 2020

How business and government can rebuild a stronger and fairer capital city

December 2020

Survey results, analysis and recommendations

In partnership with

TRAVERS SMITH

UCL

# Foreword CBI

London's businesses are a central piece of the coveted fabric of our society. But nobody could have foreseen the challenges that businesses, their employees and customers have faced in 2020.

From dampened demand to restricted operations, firms of all sizes across our city have, and continue to, adapt to survive the economic effects of coronavirus. As we navigate these effects and try to look ahead to our city's economic recovery and the 2021 London Mayoral Election, this survey and accompanying report provides real opportunities for businesses to have their challenges, ideas and community commitments heard, understood, and acted upon.

The 2020 CBI London Business Survey (LBS), in partnership with Travers Smith and UCL, provides you with a collective voice during these tumultuous times and looks at how to *build back better* in two parts. Firstly, we look at where we need to refocus our efforts economically, assessing the challenges in front of us, from coronavirus testing regimes to our future trading relationship with the European Union (EU). Secondly, we look at the ways that both business and government can place fairness at the heart of our recovery to reduce inequality across the capital.

We will answer the burning questions on business' minds. Which policies should both central and local government focus on to aid recovery and protect competitiveness? Who is responsible for rebuilding this fairer and more equitable capital city, while enhancing inclusion across London's workforce? Central to these answers is the need for a genuine partnership between the business community and policymakers, facilitating immediate action and lasting change.

For me, the emerging story from this year's survey is the impact business can make in both *its* world, and *the* world. Within this, I'm also struck by the practical action employers can or are taking on People, Place, Process and Partnership. This will, I hope, provide a clarion call for firms to go further where possible, and to work with us and others to *build back better*, and fairer.

I hope you enjoy reading the report.

**Jordan Cummins**
Head of London Policy, CBI

*The 2020 LBS has been developed in partnership with Travers Smith and University College London (UCL)*

# At a glance

## CBI

**80%**

8 out of 10 **(80%)** London business leaders say the coronavirus pandemic has negatively impacted their output

**77%**

**77%** state establishing an effective test, track and trace system, with accelerated testing facilities and results, is an essential measure of support for business

**72%**

**72%** say securing a comprehensive trade deal with the EU will be key to London's recovery and maintaining the capital's international competitiveness

**75%**

**75%** of London's business leaders say tackling inequality in society over the next 6-12 months is important to their business and one in five **(21%)** say this is an 'extremely important' business priority

## Travers Smith

**12%**

Only **12%** of London's business leaders state they do not have a diversity and inclusion strategy

**62%**

**62%** of respondents have diversity and inclusion strategies which include mental health

**22%**

**22%** of business leaders stated coronavirus was a barrier in meeting their equality, diversity, or inclusion ambitions

**45%**

**45%** of business respondents stated that they have a formal or informal allyship programme and/or policy in place

## UCL

**81%**

**81%** of respondents believe the London business community has more to do to reduce inequality in society

**61%**

**61%** of London business leaders stated that reducing inequality is an equal partnership between government and business

**43%**

**43%** of London's business leaders said greater data collection was one of the most effective and practical ways for business to measure improvements in diversity, inclusion, and equality

**22%**

Over a fifth **(22%)** of London business leaders state their firms are tracking their ethnicity pay gaps, with 43% of large business respondents doing this
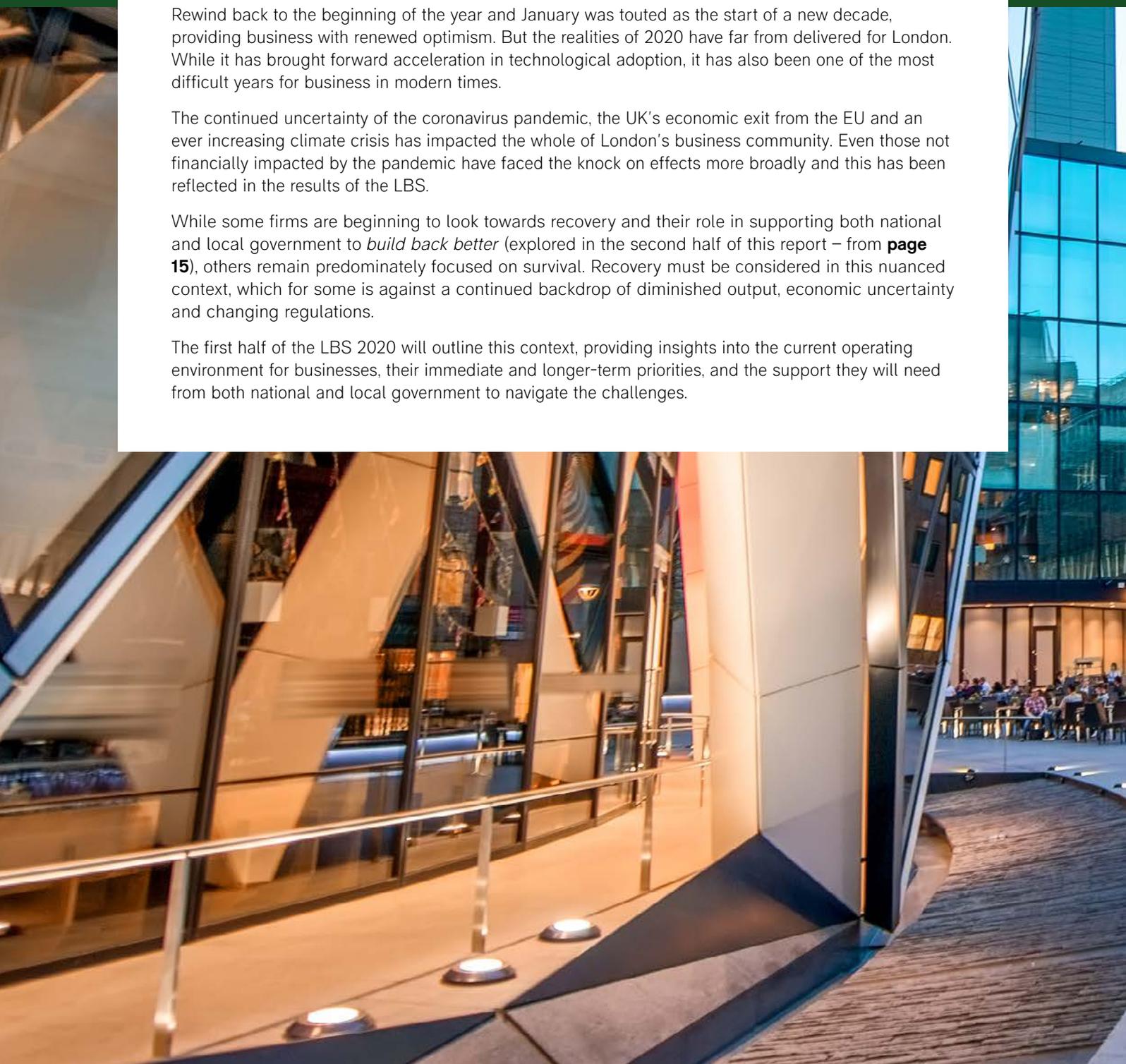
# London's business environment

## Navigating coronavirus, the UK's economic exit from the EU and early stages of economic and social recovery

Rewind back to the beginning of the year and January was touted as the start of a new decade, providing business with renewed optimism. But the realities of 2020 have far from delivered for London. While it has brought forward acceleration in technological adoption, it has also been one of the most difficult years for business in modern times.

The continued uncertainty of the coronavirus pandemic, the UK's economic exit from the EU and an ever increasing climate crisis has impacted the whole of London's business community. Even those not financially impacted by the pandemic have faced the knock on effects more broadly and this has been reflected in the results of the LBS.

While some firms are beginning to look towards recovery and their role in supporting both national and local government to *build back better* (explored in the second half of this report – from **page 15**), others remain predominately focused on survival. Recovery must be considered in this nuanced context, which for some is against a continued backdrop of diminished output, economic uncertainty and changing regulations.

The first half of the LBS 2020 will outline this context, providing insights into the current operating environment for businesses, their immediate and longer-term priorities, and the support they will need from both national and local government to navigate the challenges.

**Summary of recommendations for Part 1: London Business Environment**

**Recommendations for national government**

- **Secure a deal with the EU which supports the UK's international competitiveness**, including an EU adequacy decision and scope for further development, such as cross-border services trade, alongside continued business and government engagement on future EU deals and partnerships.

- **Ensure a prompt and timely pre-departure testing system, significantly ahead of the 2021 summer travel season**, to provide consumer and business confidence and planning time, while protecting international connectivity, jobs and aerospace manufacturing

**Recommendations for local government**

- **Act at pace on Central London's economic recovery** including timely publication of research into London's Central Activities Zone and Northern Isle of Dogs (CAZ / NIoD)

- **Ensure the strongest possible post-Brexit investment environment** with a targeted '*Invest in London*' campaign, for both financial investment and human investment (study, tourism and spend)

- **Promote London as a leader in Green city development** by promoting the Green New Deal at COP26 and establishing London as a global leader of a green recovery

- **Continue to develop London's digital connectivity** through accelerated broadband and 5G roll-out, appointing digital champions to Local Authority Cabinets and reviewing the Smarter London Together strategy alongside the Digital Access for All mission

- **Continue close business engagement on London's economic recovery,** particularly on CAZ and NIoD recovery and development of the GLA economic and social recovery missions.

**Recommendations for both national and local government**

- **Ensure businesses have clarity on their remit and responsibilities in regard to testing**, both in terms of the workforce and their wider sector and/or supply chain. This should be accompanied by government engagement and guidance.

- **Ensure clarity within the business rates system** (following the Spending Review), as to the situation for all businesses paying business rates from April 2021. Explore opportunities to provide relief for certain businesses impacted by coronavirus and which previously did not qualify for rates holidays

- **Bolster London's international competitiveness in education** through an image of Global Britain, deploying new visa routes and continued involvement in the next cycle of the Erasmus programme

- **Ensure a long-term stable financial settlement for Transport for London** appropriate for the critical role played by the capital's transport network.

- **Localise skills and career development** by transforming Job Centres into locally-led Job & Skills Hubs, with local autonomy to respond to changing market needs and align with education initiatives

# The immediate environment

**Coronavirus and Brexit continue to cause uncertainty, but rapid testing will support firms to navigate the pandemic**

8 out of 10 (80%) London business leaders state the coronavirus pandemic has negatively impacted their output. With 68% saying output has not yet returned to pre-coronavirus levels and a third (34%) not expecting this to happen within the next 12 months. This figure rises to 75% for the embattled arts, entertainment, and recreation sector; highlighting the asymmetrical impact this crisis has had on certain sectors, particularly non-essential consumer facing services.

It is also worth noting that this data was collected prior to the England-wide lockdown on 5 November.  This is likely worsening the outlook for many London businesses.

*"As consulting engineers working on long-term, large-scale international projects, initially we saw very little impact… [However] as projects conclude, they are not being replaced as quickly: business and government confidence is vital for long term, large scale investment. There is still too much uncertainty. As a result, we are now having to implement staff reductions."*

**Professional, scientific and technical activities, 500-4,999 employees**

**To what extent has your businesses output been affected by coronavirus?**

|  | Total |
|---|---|
| Output was impacted and has not returned to pre-COVID-19 level. But is expected to return within the next 12 months | 34% |
| Output was impacted and has not returned to pre-COVID-19 levels. We do not expect it to return within the next 12 months | 34% |
| Output was not impacted and has remained broadly in line with expectations | 14% |
| Output was impacted but has returned to pre-COVID-19 levels | 11% |
| Output was positively impacted, and we have seen an increase in output | 5% |
| Other | 2% |

**London's businesses cannot fully prepare for economic departure from the EU**

On top of the coronavirus pandemic, the uncertain future trading arrangement between the UK and European Union (EU), weigh heavy. While most of London's business leaders stated their firms are prepared for the UK's economic departure from the EU (82% if a deal is agreed and 68% for no deal), the degree of preparedness varies.

The data shows that London's business leaders were more likely to say they feel "somewhat" prepared for either a deal scenario (45%) or no deal (43%), with the true extent of "what will come to be" remaining unclear. This comes particularly into focus when looking at those who state their business is "very prepared" – with 37% very prepared for a deal and 25% very prepared for no deal.

26% of respondents also took to providing additional comments on their preparedness, with one LBS respondent summarising sentiment as: "[It's] impossible to be fully prepared[,] as [the] final variables are not yet known" and another stating, "we've spent four years preparing and it's not possible to prepare for either scenario because there is no clarity in either."
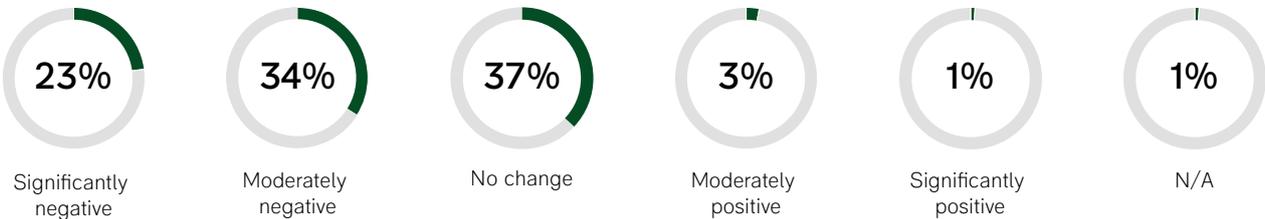
58% of respondents also stated that their ability to prepare for the UK's economic departure from the EU, has been negatively impacted by the pandemic. With one London business leader summarising "There has been little time to reflect on [the] change in the midst of the pandemic".

**"**

*"Ordinarily we would have had the opportunity for face to face marketing with customers in Europe and wider. This loss of contact will have a real but less visible impact on our longer term business development[,] that cannot be mitigated through web calls."*

Administrative and support service, 1-9 employees

**What has been the impact of coronavirus on your business's ability to prepare for the UK's economic departure from the EU on 1 January 2021?**

| 23% | 34% | 37% | 3% | 1% | 1% |
|---|---|---|---|---|---|
| Significantly negative | Moderately negative | No change | Moderately positive | Significantly positive | N/A |

**The government must introduce mass and accelerated testing facilities across London**

Returning to the immediate pandemic, firms are clear on what further support they need to navigate this immediate challenging period: testing.

Following the Chancellor's Winter Economy Plan; the top three support systems which were cited as **essential** for London's business leaders are to:

## 01.
Establish an effective test, track and trace system, with accelerated testing facilities and results **(77%)**

## 02.
Accelerate efforts to introduce a testing regime at airports to reduce or eliminate the need for quarantine **(51%)**

## 03.
Targeted business rates relief for firms that continue to struggle with high fixed costs **(42%)**

Most notably, over 70% of respondents from small, medium, and large sized businesses stated an effective testing system was a priority. This was significantly more prominent than any other measure, which can be led by government and implemented alongside local partners – including (where appropriate) employers. Alongside this, the need for testing at airports was also cited as a priority for a wide array of firms, not just those based in tourism and travel.

It is positive to see that the government is taking steps towards these priorities and businesses stand ready to support positive action. Clarity of intention and pace of messaging from both national and local government will continue to be critical.

### Following the Chancellor's Winter Economy Plan, are there further essential measures of support your business requires?

| | Total |
|---|---|
| Establish an effective test, track and trace system, with accelerated testing facilities/results | 77% |
| Accelerate efforts to introduce a testing regime at airports to reduce or eliminate the need for quarantine | 51% |
| Targeted business rates relief for firms that continue to struggle with high fixed costs | 42% |
| Provide grants to firms where the impact of COVID-19 is clear and demonstrable | 39% |
| Ensure the new successor guarantee scheme can effectively meet the needs of businesses, including refinancing and growth capital | 32% |
| Support for employers with the cost of worker absences related to COVID-19 | 29% |
| Other | 22% |

### London's business leaders say an effective test, track and trace system, with accelerated testing facilities/results, is an essential measure of support for their business

**77%**

Small business
(1-199)

**79%**

Medium business
(200-499)

**85%**

Large business
(500+)

# Short-medium term recovery

**Securing a trade deal with the EU, supporting wellbeing, investing in innovation and technology, alongside tackling inequality, are priorities for London's Business leaders over the next 6-12 months**

**Trade, tourism, and transport are a top priority for London's recovery, alongside offices, study, and skills**

When looking towards London's recovery and maintaining the capital's international competitiveness, five policies were essential for over half of London's business leaders:

**01.** Securing a trade deal with the EU, including comprehensive coverage of services trade, cooperation on regulation, and makes customs simple **(72%)**

**02.** Ensuring office-based workers can safely return to offices and encourage their return **(66%)**

**03.** Promoting London as a destination for domestic and international tourism and study **(58%)**

**04.** Securing a long-term and sustainable financial package for Transport for London (TfL) **(52%)**

**05.** Developing a framework for retraining, re-skilling and/or redeployment **(51%)**

Again, it is notable that securing a trade deal with the EU was seen as a priority by the majority of respondents across each business size. With 69% of respondents from small firms (1-199 employees) selecting this as a priority for London's recovery and competitiveness, alongside 67% for those from medium firms (200-499 employees) and78% from large firms (500+).

*"An EU deal has to make us a progressive economy, responding to the challenges of our time: Net zero, diverse talent, a world of work transformed for the new age."*

**Tony Danker, CBI Director-General**

It is also unsurprising that ensuring London is a destination for tourism and study remains important, with tourism spend in London set to fall by an estimated £10.9bn in 2020[1] and London's international students directly contributing £3.2bn to the UK economy and 37,000 jobs.[2]

While many of London's businesses have successfully pivoted to home working, the current feeling among London's business leaders is that offices remain a necessity. This is seen as particularly important across the spectrum of business size: 65% of respondents from small firms (1-199 employees) believe ensuring and encouraging a safe return to the office to be a priority, as do 56% from medium-sized firms (200-499 employees) and 71% from large firms (500+ employees).

Although the business community continues to discuss how the design and architecture of office spaces may change – to enable a new, more flexible, type of working – anecdotal evidence from the CBI's London members, highlight that leaders see these spaces as essential for colleague training, creativity and wellbeing (particularly of younger workers). Additional CBI UK wide research also shows that 54% of companies believe home working has had a negative impact on their ability to develop and train staff, coupled with a negative impact (50%) on work culture.[3]
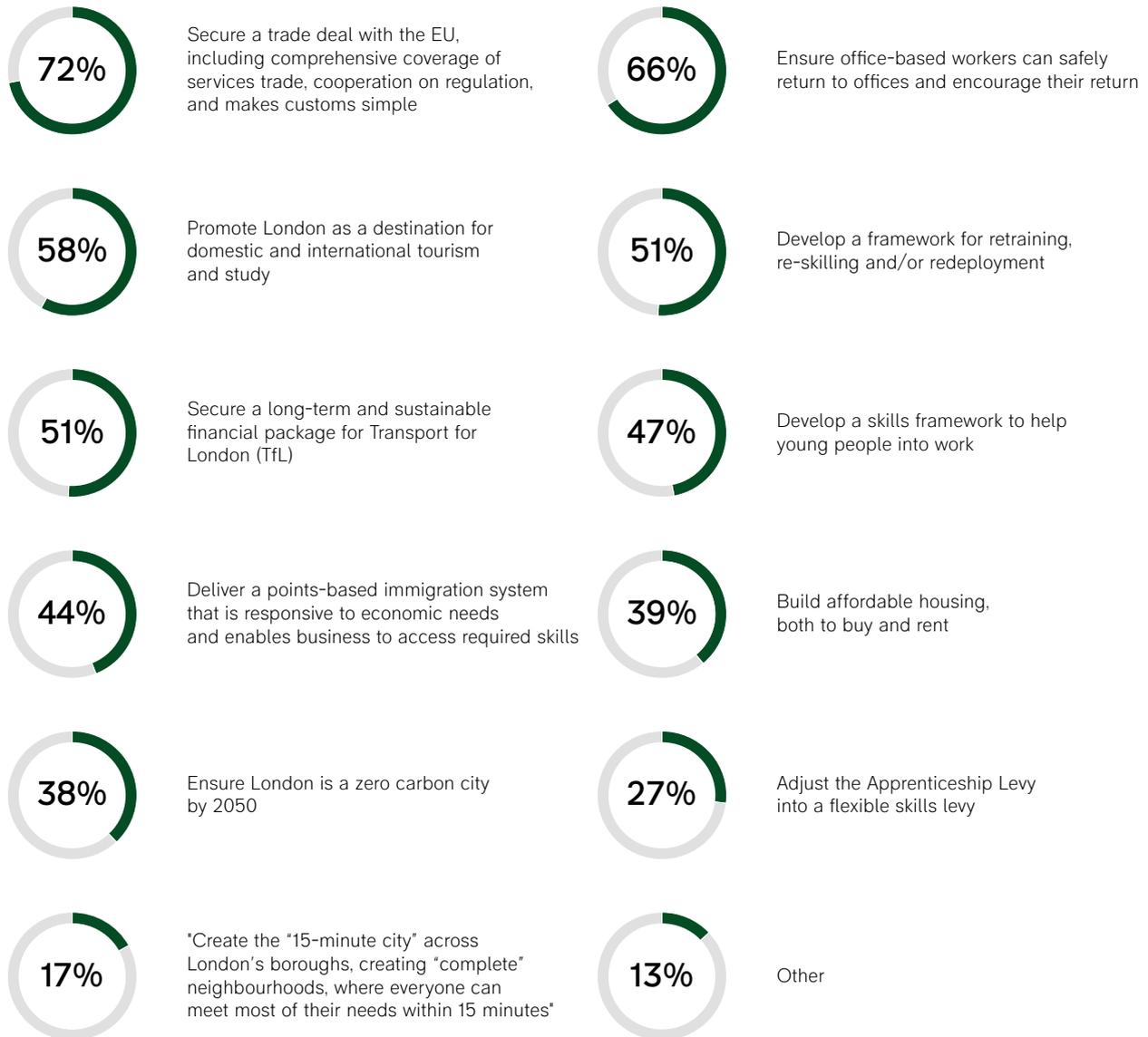
As the future of hybrid home and office working continues, and firms utilise this new flexibility to encourage a more inclusive London workforce, it will be essential for business to continue to develop solutions to meet these challenges and ensure creativity and culture are maintained.

1. Greater London Authority, accessed 09.11.2020
2. CBI, The strategic importance of universities to London's economic revival from COVID-19, August 2020
3. CBI Annual Conference Survey, November 2020

**Which policies do you believe are a priority to help London recover from COVID-19 and remain internationally competitive?**

**72%** Secure a trade deal with the EU, including comprehensive coverage of services trade, cooperation on regulation, and makes customs simple

**66%** Ensure office-based workers can safely return to offices and encourage their return

**58%** Promote London as a destination for domestic and international tourism and study

**51%** Develop a framework for retraining, re-skilling and/or redeployment

**51%** Secure a long-term and sustainable financial package for Transport for London (TfL)

**47%** Develop a skills framework to help young people into work

**44%** Deliver a points-based immigration system that is responsive to economic needs and enables business to access required skills

**39%** Build affordable housing, both to buy and rent

**38%** Ensure London is a zero carbon city by 2050

**27%** Adjust the Apprenticeship Levy into a flexible skills levy

**17%** "Create the "15-minute city" across London's boroughs, creating "complete" neighbourhoods, where everyone can meet most of their needs within 15 minutes"

**13%** Other

### People remain the priority for London's business leaders over the next 6-12 months

53% of respondents stated supporting colleagues with their mental health and wellbeing would be a priority over the next 6 – 12 months. This demonstrates a clear recognition of the impacts the pandemic has had on employees and the duty of care businesses feel they have beyond direct work-related health and safety.

Alongside this, other priorities were: investing in innovation and technology (55%), revising flexible working policies and supporting new ways of working (51%), restructuring business operations (42%) and supporting colleagues back to their places of work (39%). Positively, 40% of respondents stated they will be focusing on business expansion.

It is notable that despite having colleagues 'return to offices' being seen as critical for London's recovery and competitiveness, fewer business leaders will be actively focusing on this over the next 6-12months. This likely indicates sentiment that the next steps and additional provisions to enable colleagues to return must be government led and supported by additional measures, such as a wider rollout of testing and vaccine/s.

**In the short term (6-12 months), what will your businesses top priorities be?**

| | |
|---|---|
| Investing in innovation and technology | 55% |
| Supporting colleagues with their mental health and wellbeing | 53% |
| Revising our flexible working policies and supporting new ways of working | 51% |
| Restructuring our business operations | 42% |
| Focusing on business expansion | 40% |
| Improving internal diversity and inclusion | 39% |
| Supporting colleagues back to their places of work | 39% |
| Investing in colleague development and/or training/re-skilling | 27% |
| Restructuring our business finances e.g. repaying existing funding or securing new funding | 26% |
| Supporting our supply chain partners | 20% |
| We can only focus on the day to day survival of our business | 13% |
| Purposefully hiring young people e.g. school leavers, graduates, utilising the "Kickstart" scheme or Apprenticeship levy | 11% |
| Other | 10% |

**Investing in innovation and technology**
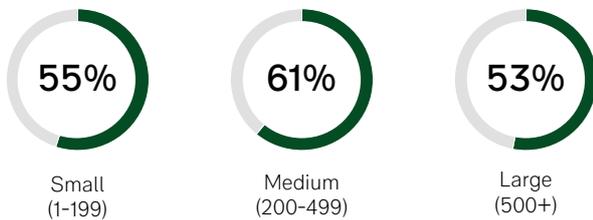
| 55% | 61% | 53% |
|---|---|---|
| Small (1-199) | Medium (200-499) | Large (500+) |

**Revising our flexible working policies and supporting new ways of working**

| 42% | 72% | 59% |
|---|---|---|
| Small (1-199) | Medium (200-499) | Large (500+) |
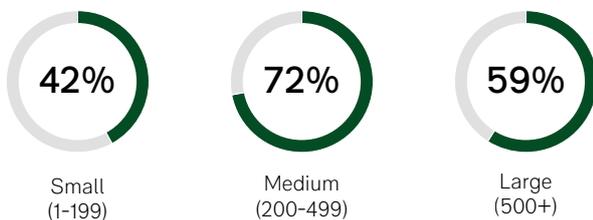
**75% of London's business leaders say tackling inequality in society over the next 6-12 months is important to their business and one in five (21%) say this is an 'extremely important' business priority**

When looking at how important tackling inequality in society will be to respondent businesses (over the next 6-12 months), there is clear consensus that this is important; despite the challenging environment businesses continue to find themselves operating in.

While 6% stated they would only be able to focus on day-to-day survival of their business (a particular concern for smaller business respondents), three in four (75%) were in a position to state that tackling inequality in society was (at least moderately) important to them over the short-term. With a fifth (21%) going as far as to state this was 'extremely important' forming a critical element of their business strategy, was a board priority and/or was receiving collaboration from across the business. Notably, this was most prevalent among business leaders of large companies (33%) – illustrating a growing recognition that larger businesses have a particular role to play (where possible) in tackling inequalities, not only in the workplace but in society more broadly, and providing support in uncertain or challenging periods.

Overall, this focus on tackling inequalities crucially highlights business' understanding of the important role they have to play in addressing inequality and that London's business leaders are ready to play their part. This is becoming increasingly urgent, as research shows coronavirus continues to have a disproportionate impact on different groups of Londoners and is exacerbating existing inequalities.[4]

**How important will tackling inequality in society be to your business over the short-term (6-12 months)?**

|  | Total |
| --- | --- |
| Extremely important | 21% |
| Very important | 19% |
| Moderately important (among many priorities) | 35% |
| Slightly important (currently reduced focus) | 9% |
| Not at all important (I do not think this is the role of business) | 10% |
| We can only focus on day to day survival | 6% |

**Over the longer-term, London's business leaders are prioritising internal diversity and inclusion, sustainability/net-zero strategies, and social mobility**

When asked what business leaders would be concentrating on in the longer-term (12months+) to help create a fairer and more sustainable London economy, 58% stated focusing on improving their internal diversity and inclusion, with 53% developing or enhancing sustainability and net-zero strategies and 45% focusing on supporting social mobility; which may include hiring locally and/or encouraging people from all backgrounds into their business or sector.

Another nod to businesses recognition of their role in addressing inequality, increasing diversity, and inclusion across London's workforce, is respondents' commitment to increasing their partnerships with educators, from schools and colleges, to universities and training providers (42%). With 38% stating they would be establishing and/or developing local community and charity links to help tackle deprivation.

> "
>
> *"We all have a role to play in London's future and the role of the next generation."*
>
> Other service activities, 20-49 employees

4. Resolution Foundation, **Jobs, jobs, jobs**, 27 October 2020

Concerningly, one in ten (10%) stated they did not believe they would be able to consider their businesses longer term role in creating a fairer and more sustainable London. Although not directly captured by the data, most of these respondents were from smaller businesses, which could relate to longer term issues regarding limited resource and/or capacity, which were cited throughout the LBS. This has likely been exacerbated by the pandemic.

**In the long-term (12 months+) what role/s will your business play in helping to create a fairer and more sustainable London economy?**

| | Total |
|---|---|
| Improving internal diversity and inclusion | 58% |
| Developing or enhancing our sustainability and net-zero strategies | 53% |
| Supporting social mobility e.g. hiring locally, encouraging people from all backgrounds into our business or sector | 45% |
| Increasing our partnerships with educators e.g. schools, colleges, universities, providers | 42% |
| Establishing/developing local community and charity links, to help tackle deprivation | 38% |
| Paying the London Living Wage | 31% |
| Protecting supply chains e.g. mentoring, financial support, prompt payments, creating a disputes procedure | 22% |
| Enhancing our employment packages e.g. employee representation at board level, providing green pension options, housing rental deposits, travel support | 17% |
| I do not think my business will be able to consider this | 10% |
| Other | 9% |
| I do not think it is the role of my business to consider this | 5% |

The **second half** of this report will:

- analyse some of the tool's firms are already using to tackle inequalities, expanding on these to help the capital *build back better*

- present solutions to some of the barriers and challenges preventing firms from improving on their diversity and inclusion

- establish the role of business and government in creating a more inclusive and resilient London

- ensure recovery plans avoid creating or perpetuating a hierarchy of inequalities, and instead create a society that works for all

# Build back better

## Rebuilding a more resilient, fairer and equal London

### The impact of COVID-19 across the capital city

With 13% of London business leaders stating they can only focus on the day-to-day survival of their organisations (over the next 6 to 12 months) **(page 12)** and London's claimant count increasing by 158% since March (higher the UK average of 112%)[5] – the need to resiliently <u>and</u> inclusively recover has never been greater.

London's vast variety, from its range of sectors to its diversity of people, are the city's greatest assets. But this variety masks a wealth of inequalities that the pandemic has not only shone a light on but exacerbated. The root causes underlying these inequalities must be understood, and addressed, so that the capital's rebound is inclusive and stronger. This would in turn, make the city more productive and resilient.

As identified within the *Rapid Evidence Review*, of the risk factors for coronavirus exposure and mortality within the UK, London has higher levels of overcrowding and substandard housing, the highest rates of income and expenditure poverty, and high rates of migration and mobility. Related to this, London also has the highest proportion of ethnic minority people, who suffer worse physical health outcomes from the virus (in-part related to these risk factors) and the highest proportion of LGBTQ+ people, who suffer worse mental health outcomes (again this is in-part related to the risk factors).[6] But the inequalities that present within these risk factors, have no place in a modern and renewed London.

The second part of this report will build on the data and insights gathered from across the LBS and look to identify the role that the business community can play in supporting the capital's recovery. While this is not a complete 'blueprint' to address inequality and exclusion across London's workforce, it is a data driven discussion, providing principles that businesses and policymakers can adopt and grow to make credible change, despite the challenging environment.

5. London Datastore,  Labour market update for London – November 2020, accessed 24.11.2020
6. Greater London Authority: Rapid Evidence Review - Inequalities in relation to COVID-19 and their effects on London, accessed 29.10.2020

**Those who have been able to act, have acted. And have done so well, irrespective of size or sector.**

For those not overwhelmed by the pandemic, there is a responsibility on business to play its part in rebuilding a fairer, more inclusive, and sustainable London.

Over the past few years, London's business leaders have embraced gender pay gap reporting and are turning to allyship to build inclusive workforces. Amidst the coronavirus pandemic, business is recognising its role within wider society and this resolve continues to strengthen as the pandemic and its aftermath continues.

Firms across London have been rising to the occasion, supporting their colleagues, supply chains, and communities. Research from Vodafone found that 81% of organisations reported taking some form of action to support those outside of their business during the height of the pandemic.[7] With many initiatives stemming or being led across the capital city. But after this immediate coronavirus response, a continuing long-term commitment of support from business is needed. And enhancing inclusive participation within London's current and future economy, will be critical and are themes that will continue to be explored in the second part of this report.

**Case study: Patchwork is helping feed Lewisham's frontline NHS staff**

At the height of the first Coronavirus wave Patchwork, a Brockley-based gift sharing platform, decided to 'step back and reach out' alongside other local businesses to NHS workers, creating a frontline food fund. With £5000 raised, and many South East Londoners helped along the way, the template created a real example of the power of local partnership, benefitting the community at a challenging time. The success of the fund has meant the initiative has been able to return, with new festive food boxes being delivered to Lewisham Hospital Workers. A thank you from the community to critical workers.

**Case study: Diageo steps up for the hospitality industry**

Through its *Raising the Bar* programme, Diageo is investing £30 million in targeted support to help outlets across the UK to re-open safely and to operate in the new environment. The initial response has been enormous, with over 24,000 pubs, bars and restaurants supported through the programme so far with practical help for sanitation and social distancing, and over 400,000 litres of hand sanitiser and 23,000 hand dispensers delivered. Bar owners can register their interest for the "Raising the Bar" **programme** in the UK and Ireland.

**Summary of recommendations for Part 2: Building back better**

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**Recommendations for government**

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- **People and Process:** explore the benefits of a London Disability Employment Taskforce
- **Place:** ensure and promote parity of esteem across educational routes and attainment
- **Process:** assess data through an intersectional lens to create inclusive policies and programmes
- **Place:** assess the performance of existing initiatives at borough and regional level, sharing guidance on identified successes

**Recommendations for business**

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- **People:** value employee opinion on diversity and inclusion to build trust, allyship and measure progress
- **Process:** D&I strategies should ensure business policies are inclusive of the experiences and needs of different staff and creating inclusive workplaces and a more productive workforce
- **Place and Partnership:** look at the skills and practical impacts your business can make within the local business community
- **Process:** harness the positive power of local and regional data

**Recommendations for both government and business**

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- **Partnership:** explore the formalities of an equal partnership between government and the business community to tackle inequality in a range of forms. Use the guiding principles of having: agreement and clarity, long-term strategies, guidance frameworks and a localised approach.

### Building back better, together: an opportunity

To ensure pre-existing risk factors do not continue to remain insufficiently tackled, both policymakers and business must seize the perspective provided by coronavirus to shape a fairer London going forward. This capital city will work for all, rejecting a hierarchy of inequalities and work towards prosperity both economically and socially.

Business' focus on tech and innovation adoption should enable firms to create a more inclusive workforce, particularly for Londoners living with disabilities, neurodiversity, or health conditions. Renewed flexible working, can make full-time or part-time employment more viable for those with caring responsibilities, increasing London's productivity. Partnerships between businesses and alongside government, will help tackle inequality, aid social mobility, and end the postcode lottery of education and work-readiness.

The 2020 LBS has shown that despite the challenging backdrop, business leaders want to build back better. What the survey data and wider research has identified, is that businesses believe there are **four key areas** they can make a difference to help tackle inequality across London. These are: **people**, **processes**, **partnerships**, and **place**. And their role in addressing these, can be viewed in two ways: businesses role in *their* world and businesses role in *the* world.

## 01.

### Business' role in *their* world

Firms have the power to create meaningful societal change through their employees, supply chains and partners. Improving internal diversity and inclusion, alongside organisational practices, will enhance participation in London's workforce and help deconstruct social inequalities. Within their world, businesses can be corporate allies, take an intersectional approach to inclusion policies and data analysis and provide support and guidance to supply chain partners

## 02.

### Business' role in *the* world

The business community should continue to understand and develop its impacts in and on wider society, and the role it can play in addressing inequality across the capital and the wider UK. This can be achieved through actively engaging in greater partnerships with national and local governments, civil society, the third sector and educators. While also continuing to measure progress and address any adverse impacts

### People

Utilise and act on employee opinion and sentiment. Formalise networks, allyship, unconscious bias training and awareness of microaggressions. Raise awareness of how these create/exacerbate inequalities in the workplace and wider society

### Process

Utilise a variety of data to inform D&I strategies and recruitment practices, ensuring these are inclusive. Change the lens on educational and entry requirements. Measure success to monitor progress and identify areas of improvement

### Partnerships

Enhance support and partnerships between businesses and alongside government. Identify shareable skills to support supply chains and business partners to engage in D&I and equality

### Place

Grow outreach into local communities. Work with community organisations, educators, and charities to support social mobility and local development

# Business' role in *their* world

**While London's business leaders see industry playing an active role in re-building a more equal London, they find coronavirus, a lack of ability to invest in resourcing and a lack of internal expertise, key barriers to meeting their diversity, inclusion and equality ambitions**

A majority of business leaders recognise that greater inclusion across London's workforce will be critical to London's revival. Not only to reduce inequality, but because this generates productivity and creativity. But challenges remain.

When asked what the barriers were in meeting equality, diversity or inclusion ambitions; focusing on the **survival of their business/coronavirus (22%)**, **a lack of ability to invest in resourcing (19%)** and **a lack internal expertise (19%)**, were the most common answers.

Qualitative research also identified three additional challenges:

- **Resistance:** Challenges with D&I being universally seen and treated as a strategic priority. A lack of comprehensive management "buy-in".

- **Limited job mobility:** Difficulty in creating meaningful impacts in the short-term due to limited job mobility. Limitations are created from an aging workforce and a resulting lack of available roles/progression opportunities. This limits a firm's ability to build a diverse talent pipeline and progress colleagues into senior management roles.

- **Pace of change:** Challenges in keeping pace with developments in the areas of diversity and inclusion. As well as difficulties in aligning and/or understanding the priorities or concerns of different demographics and ages across the workforce.

There is also a continued difference in how firms see their ability to make meaningful contributions to the diversity of London's workforce, depending on their size. With one LBS respondent summarising: "while we may have the best of intentions, we have a small and talented workforce which is diverse [but] our numbers limit our depth of diversity."

But the impact of smaller businesses should not be underestimated. Many smaller organisations provide significant development and social mobility opportunities, through greater access to business leaders and a wider brief of job responsibilities. Which in turn, creates exposure to skills and enables development.

To ensure London does *build back better* and the disproportionate impacts of coronavirus across Londoners[8] are not exacerbated, the discussion and role of business in enhancing participation in London's workforce, should not be at the exclusion of smaller firms. Business to business partnerships and guidance, will play a critical role in supporting firms with limited capacity, resource, and/or internal expertise, to participate in enhancing diversity, inclusion, and reducing inequalities.



8. Rapid Evidence Review identified substantial inequalities across protected characteristics and socioeconomic position in relation to the impacts of the coronavirus pandemic. This is both in terms of risk of COVID-19 infection, complications, and mortality, and in terms of the negative economic, social and psychological consequences of Government policies to mitigate the health impacts of the pandemic - accessed: 03.11.2020
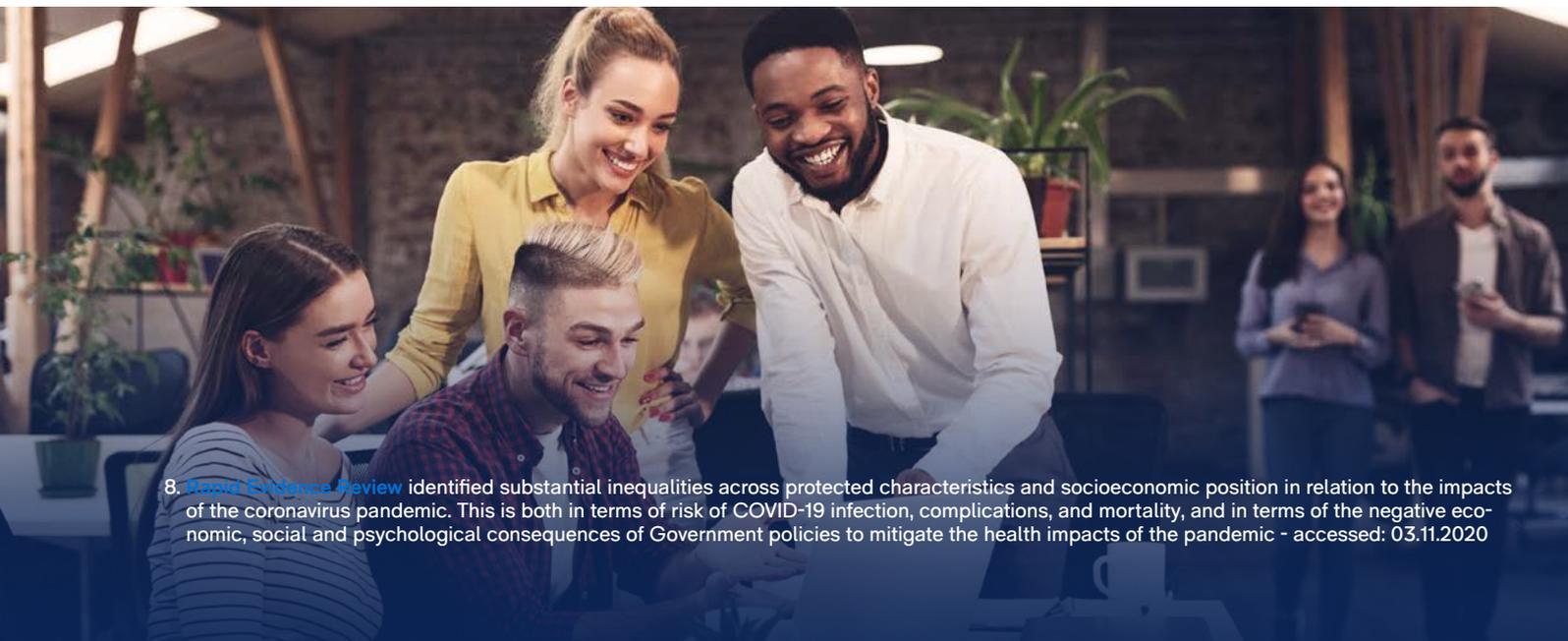
**Chris Edwards , CSR and Diversity Director, Travers Smith**

*"Diversity and inclusion is not a box ticking exercise. It goes far beyond tokenism and instead should focus on creating a workplace where everyone feels able to fully contribute and reach their career potential.*

*We all need to recognise the systemic barriers which face minoritised people and take concrete action, as a collective, to challenge these unequal systems. Doing so, is not only the right thing to do, but will help mitigate some of the roots of London's associated risk-factors, enhancing equality across the capital, and create a society we can all be proud of."*
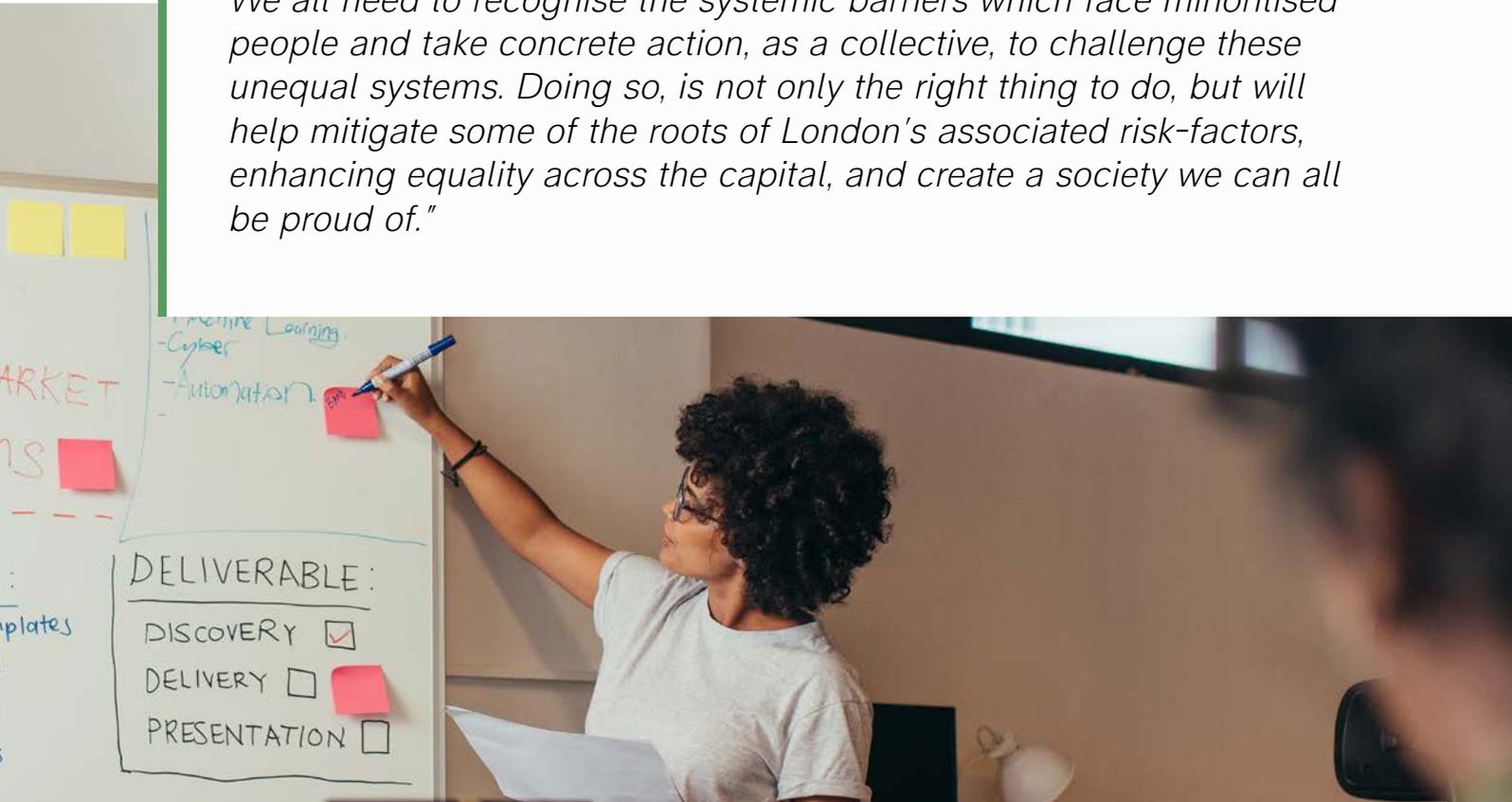
*"Businesses should share their challenges, learning and best practice, particularly for smaller organisations who do not have the resource to be able to undertake EDI audits etc. More businesses should also review their recruitment processes to remove bias as much as possible e.g. job description wording; blind CVs; shortlisting factors and interview questions."*

**Transport and storage, 250-499 employees**

## Process: D&I strategies that unlock inclusive recruitment and progression plans can empower firms to diversify their workforce and supply chains.

An inclusive workplace is one in which diversity – the differences of gender, sexuality, race, age, social background, physical and mental ability, and differences of thought and experiences – are welcomed because they improve the performance of a team and ultimately, a business' results. It is where leaders, managers and employees are clear about the role that they play in fostering this culture[9] and understand why it is important, not only to the firm but to individuals and society. Diversity and inclusion (D&I) strategies are key to influencing firm-wide culture changes and tackling unintended inequality hierarchies.

Positively, only 12% of respondents stated that their organisation did not have a D&I strategy. When asked which aspects of D&I formed part of the strategies, each area presented to respondents had at least a 50% selection rate. Suggesting that firms recognise D&I strategies should cover the spectrum of diversity.

Race and ethnicity (76%), gender representation (73%) and LGBTQ+ inclusion (63%) were selected most frequently. Compared to 51% of London's business leaders selecting areas such as social mobility and/or educational diversity within D&I strategies.

**When thinking about your diversity and inclusion strategy, which aspect/s form part of the strategy?**

|  | Total |
|---|---|
| Race and ethnicity | 76% |
| Gender representation | 73% |
| LGBTQ+ | 63% |
| Mental Health | 62% |
| Age inclusion | 60% |
| Disability and access | 60% |
| Religion, belief, and culture | 51% |
| Working families and carers | 51% |
| Social Mobility and/or educational diversity | 50% |
| Other | 15% |
| We do not have a diversity and inclusion strategy | 12% |

While it is encouraging that so many respondents have included the aforementioned areas of diversity within their strategies, it is important to create overall equality of opportunity across the workforce. Continuing to review D&I strategies (and accompanying policies) in light of any new or widening inequalities resulting from the pandemic, will be critical for an inclusive recovery across London.

Businesses must ensure that D&I strategies examine the different and overlapping impacts of inequalities and exclusion. In turn, these considerations will help drive more effective action to create inclusion in the workforce and result in greater productivity.[10]

9. CBI, **Time for action: the business case for inclusive workforces**
10. CBI, **Time for action: the business case for inclusive workforces**

**More than just letters: The difference between diversity and inclusion**

Diversity and inclusion often go hand in hand but are different from one another. This means that organisations need to consider both in their people management practices and strategies.

Diversity is about recognising difference. It's acknowledging the benefit of having a range of perspectives in decision-making and the workforce being representative of the organisation's customers.

Inclusion is where people's differences are valued and used to enable everyone to thrive at work. An inclusive working environment is one in which everyone feels that they belong without having to conform, that their contribution matters and they are able to perform to their full potential, no matter their background, identity or circumstances. An inclusive workplace has fair policies and practices in place and enables a diverse range of people to work together effectively.

**Source:** CIPD

Continuing to advance and develop D&I strategies and their accompanying policies, will be particularly important to the current and incoming workforce, where research shows that both Millennials and Gen-Z are more likely to want to stay at a company where they feel their employer is "making progress on creating a diverse and inclusive working environment.[11] By 2025, Millennials will represent 75% of the global workforce[12] and Gen-Z will be the most ethnically and orientationally diverse population yet.[13]

*"I think that this debate speaks to the fundamentals of how organisations can operate in a decent way, understanding the importance of diversity at its most fundamental level. This is not just about gender or ethnicity, but about people being different, and bringing different experiences which can create the best outcome. A shift in attitude and behaviour is required to underpin this.*

*Otherwise, with so many different people or groups, we get caught in a complex situation of not knowing who to promote or advocate for in any given week. It's about trying to create a fair and equal environment, so everyone feels like they can be successful. And so we need the data, but also the culture and behaviours."*

**Kelly Devine, Division President, UK & Ireland at Mastercard, LBS Roundtable**

11. Deloitte, 2020 Millennial Survey, accessed 29.10.2020
12. Deloitte, 2014 Millennial Survey, accessed 29.10.2020
13. Ipsos MORI, Generation Z – Beyond Binary: new insights into the next generation

**Case study: The benefits of D&I strategies for SMEs**

At the CBI, we have learnt that whilst we are an SME, inclusion needs to be embedded into what we do and how we do it. Creating a D&I strategy that is embedded into the business strategy shifts the focus from seeing D&I as an "add on" but rather "a part of". To do this effectively, we have learnt it's about working with your employees and truly listening without judgment to what they say they want from an inclusive organisation.

Above all, the key is to start by leaders asking, "Are we as an organisation as inclusive as we should be, and could we be better?". It is those honest questions, in those safe spaces, that can really help to focus the actions that need to take place. Inclusion is a priority whether you are a big or small organisation and simply by starting the conversations, no matter how uncomfortable it might be, will bring value and insight and help in formulating the necessary actions. Knowing it's for greater good of your organisation.

**Ife Onwuzulike**
Inclusion and Culture Change Manager, CBI

**Inclusive recruitment policies can form part of a D&I strategy and help limit unconscious bias, as well as avoid creating a hierarchy of inequalities**

LBS research highlighted that inclusive recruitment policies – which includes diversity of education – can be fundamental to achieving D&I strategy ambitions. Inclusive recruitment, can help ensure businesses of all sizes, are not limiting their success due to a narrow talent pool and avoid focusing on (positively or negatively) certain groups of people.

Changing the lens on educational requirements will be particularly powerful in diversifying London's workforce – providing employers feel the necessary skills for a role have been met or can be developed.

Between 2017/18 and 2018/19, London saw the largest increase in apprenticeship take-up across England (11%), followed by the South East (7%).[14] The majority of apprenticeship starts are by women and around 12% are people from minority ethnic groups. But minority ethnic groups and female apprentices also tend to be clustered in lower level and lower paid apprenticeships, and London continues to have a reliance on require higher education attainment for its workforce.[15]

14. House of Commons Library: Apprenticeship Statistics, 27 August 2020, accessed 12.11.2020
15. London Assembly – Apprenticeships: an un-level playing field, accessed 13.11.2020

"One of the things LSEC has found in our discussions with the health sector for example, is that a lot of recruitment and development strategies are focused on university education. Now there's nothing wrong with that, there's a reason why certain academic routes are needed for some professions.

But when you look at health as an ecosystem, there's multiple roles and layers of opportunity for careers. It requires a much broader and diverse outlook in terms of how we recruit and develop.

If we really want to address inequality and disadvantage, this inclusion will be key to the workforce of the future."

**Louise Wolsey, Group Chief Transformation Officer at London South East Colleges, LBS Roundtable**

"Diversify recruitment routes; introduce diversity into governance or leadership in whatever way possible ([e.g.] an advisory role); be more open-minded about skills and experience required so that it doesn't block people with a range of experience."

**Education, 100-199 employees**

**People:** Establish allyship and employee networks to achieve D&I strategy ambitions, which highlight barriers for underrepresented groups and increase inclusion and equality within business and wider society

**Nearly half of all business respondents are engaging in allyship**

45% of business respondents stated that they have a formal or informal allyship programme and/or policy in place, with an additional 19% stating they would like to develop a programme and a further 7% saying they are in the process of doing so.

Allyship training and engagement can help create an inclusive culture change across an organisation, which helps develop D&I "buy-in" and educate colleagues on the different challenges and experiences of people. Allyship can be developed through unconscious bias and microaggressions training, reverse mentoring schemes and employee networks or forums. Learnings from employer driven allyship can also inspire colleagues to continue allyship in their personal lives, creating greater inclusion across the wider community.

**What is an ally?**

An ally is any person that advances a culture of inclusion through intentional and positive efforts, benefiting people as a whole. This often refers to a person in a majority group, actively working towards supporting minority and/or under-represented groups.

Anyone has the capability to be an ally. An ally recognises that, although they are not a member of the particular marginalised group that they support, they should make a concerted effort to better understand the obstacles which individuals from marginalised groups face. Because an ally might have more privilege (and recognises the resulting advantages), they are powerful voices alongside marginalised ones.

**Source:** Travers Smith



> *"…companies that challenge Unconscious Bias as a tone from the top and take action on it, with rigorous development programmes, will ultimately succeed – so together we should commit to that as a community."*

**Professional, scientific and technical activities, 5,000-19,999 employees**

But the benefits of formal allyship are being asymmetrically experienced across respondents. Only 7% of small businesses are engaging in formal allyship and 7% of medium-sized businesses (200-499). The largest group of respondents not intending to develop an allyship strategy, were smaller firms.

While larger employers may have greater scope to develop comprehensive allyship programmes, there are a wealth of actions individuals and smaller organisations can take to empower allies. These can include educating people about the impact of biases and micro-aggressions and giving people practical tools to promote inclusivity, such as guidance about inclusive language and the consequences of being an active bystander. As well as providing platforms to enable people from minority groups to share ideas, views and their lived experiences.

The role of larger businesses to support their supply chains and partners, will also be key in enabling smaller organisations to partake in allyship. This can be undertaken by sharing existing resources (such as best practice guides) and expertise; both of which were commonly cited by firms of this size as some of the main challenges facing them in meeting their equality, diversity or inclusion ambitions.

Kathleen Russ, Senior Partner, Travers Smith

*"Tackling the challenges facing underrepresented people is one of the most important matters of our time and this cannot be addressed without allyship. While some question why allyship is the role of business, true inclusion and access in London's economy will not be possible if the leaders of today are not allies to the diverse leaders of tomorrow.*

*For Travers Smith, allyship and the concept of engaging with the majority to help drive positive change for the minority and/or underrepresented, is a key element of our D&I ambitions. We recognise that it is not the responsibility of people from minority and under-represented groups to create a fairer society but rather that task sits on the shoulders of allies and others in positions of influence.*

*LBS research indicates that many leaders find the different areas of diversity complex and of course they are. But this undoubted complexity cannot be a justification for a failure to act. Instead, leaders should have the confidence to confront the challenges associated with creating a truly diverse and inclusive workplace and should accept their responsibility to step up as allies. If leaders are able to do this, we will be invigorated by the huge potential of untapped, diverse talent within London and the wealth of innovation, creativity and profitability that comes with this."*

## What is unconscious and conscious bias?

Unconscious or conscious bias (bias) occurs when people favour others who look like them and/or share their values. For example, a person may be drawn to someone with a similar educational background, from the same area, or who is the same ethnicity as them. Bias can influence decisions in recruitment, promotion and performance management. It could be discriminatory when the bias relates to a protected characteristic.

**Source:** Acas

## What is a microaggression?

Microaggressions are defined as brief, everyday exchanges that send denigrating messages to certain individuals because of their group membership. 'Microaggressions' is not a legal term and such behaviour will not necessarily amount to harassment under the Equality Act 2010. However, microaggressions that do not meet the Equality Act 2010 definition of harassment, could lead to behaviour which does meet the definition through repetition or escalation.

**Source:** Psychologist Derald Wing Sue and the Equality and Human Rights Commission

**London's business leaders want support to be more effective in improving their ethnic and racial diversity and social mobility and educational diversity**

When asked whether there were areas of diversity and inclusion, and/or allyship that respondents would like their business to be more effective in, but would need or like more support in order to do so, racial and ethnic diversity (25%), followed by social mobility and/or educational diversity (23%) and disability and access (18%), were the most frequent.

Only seven business leaders selected all of the presented options and, just under half (47%), stated 'no' (they do not feel they need more support in any of these areas), with this highest among small companies (1-199) (62%) compared to only 27% of larger business respondents (500+).

When looking to understand the difference between smaller and larger business respondents, this could link to a need to concentrate on navigating the coronavirus pandemic. Or respondents feeling that they were already effective in these areas. Alternatively, it may be the case that some smaller businesses, with critical day-to-day cost benefit analysis considerations, are yet to have the capacity to deploy or assess many of the longer-term benefits of greater diversity & inclusion.

It is also worth noting that during qualitative LBS research, business leaders did proactively ask for or encourage the creation of more informal groups or networks for business leaders to discuss challenges and share tested best practice and solutions.
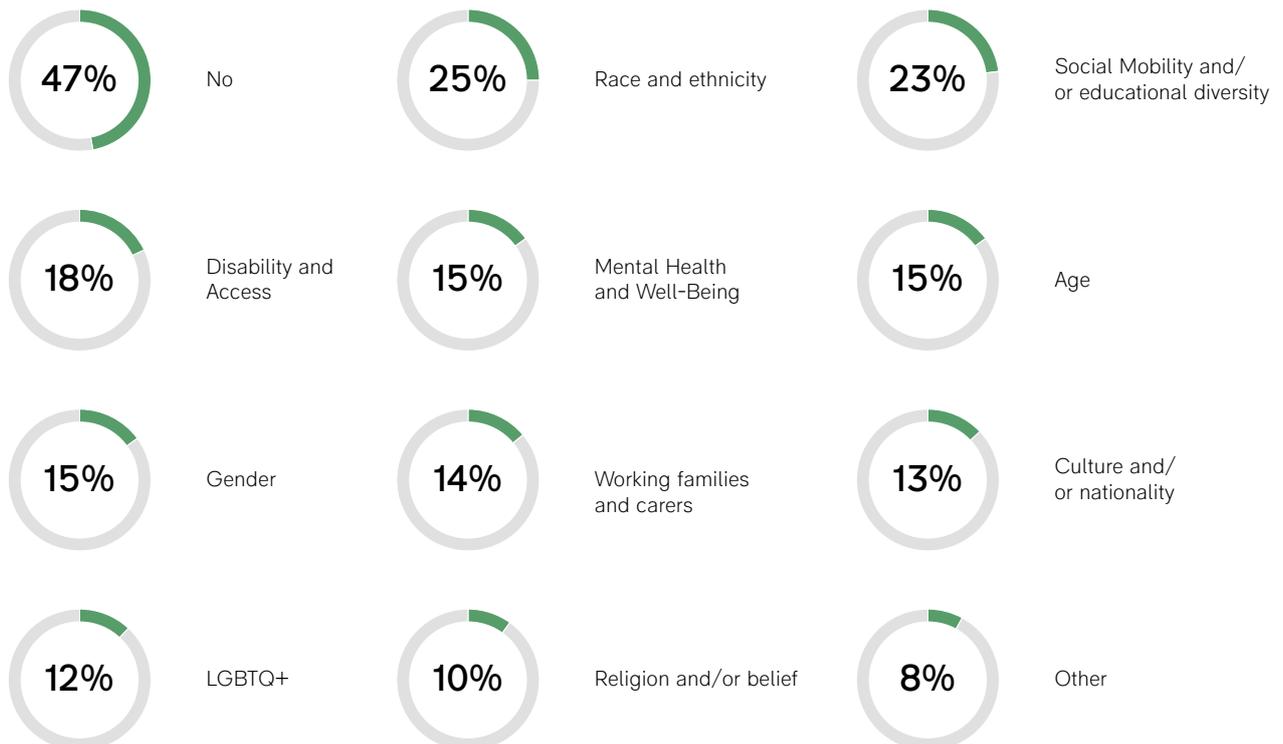
*"Whilst we have a comprehensive programme of interventions, there is still a lot more to achieve. [I] have responded "no" to reflect the fact that this is not necessarily something which we need additional external support on."*

**Financial and insurance activities, 20,000+ employees**

**Are there areas of diversity and inclusion/allyship that you would like your business to be more effective in, but need or would like more support?**

**47%** No

**25%** Race and ethnicity

**23%** Social Mobility and/ or educational diversity

**18%** Disability and Access

**15%** Mental Health and Well-Being

**15%** Age

**15%** Gender

**14%** Working families and carers

**13%** Culture and/ or nationality

**12%** LGBTQ+

**10%** Religion and/or belief

**8%** Other

**Employee networks create allyship, drive inclusion and support company-wide improvements in diversity**

An effective way to encourage inclusion and enhance allyship is through employee networks. Networks can involve both people of an underrepresented group and allies.

As noted above, London's business leaders also raised wanting support to make improvements in their social mobility and educational diversity, and disability and access. While only 4% and 18% respectively, of business respondents have employee networks for these groups. It is unclear from the data why some networks have been developed over others. But establishing and encouraging a wider breadth of employee groups or staff forums, can bring greater insights on the different experiences of colleagues day-to-day and highlight the most common challenges and barriers facing different marginalised groups, which in turn, can inform D&I policies to address these.

The majority of respondents did have at least one employee network, with LGBTQ+ groups (32%) and race and ethnicity groups (32%) being the most cited, followed by staff forums/councils (30%) and gender focused groups (29%).

Employee networks can be an insightful and empowering tool for allyship and informing D&I strategies because they are people led, help drive collaboration and connect senior and junior colleagues. Employee groups can help create a culture shift throughout a firm and provide a safe space and voice to marginalised people.

"

*"We've recognised that we all have a role to play in diversity and inclusion. So, no matter if you're a partner with accountability for targets, an assistant manager or a graduate, we all have a role to play."*

**Kate Bossie, Manager at Deloitte and member of CBI London Under 35 Committee, at LBS Roundtable**

# Business' responsibility to *the* world

**Place:** London's business leaders say the business community has more work to do in reducing inequality across society

When asked whether they thought the London business community was doing enough to help reduce inequality in society, 81% of London business leaders stated there was more to do. Within this, the majority (55%) of respondents stated 'somewhat' and that 'business has made progress on its wider social impacts but there is more to be done'. While over a quarter (26%) bluntly stated that business is not doing enough to help reduce inequality.

It is notable that sentiment on the impact business is having on reducing inequalities across society, varies across small, medium and large sized firms.
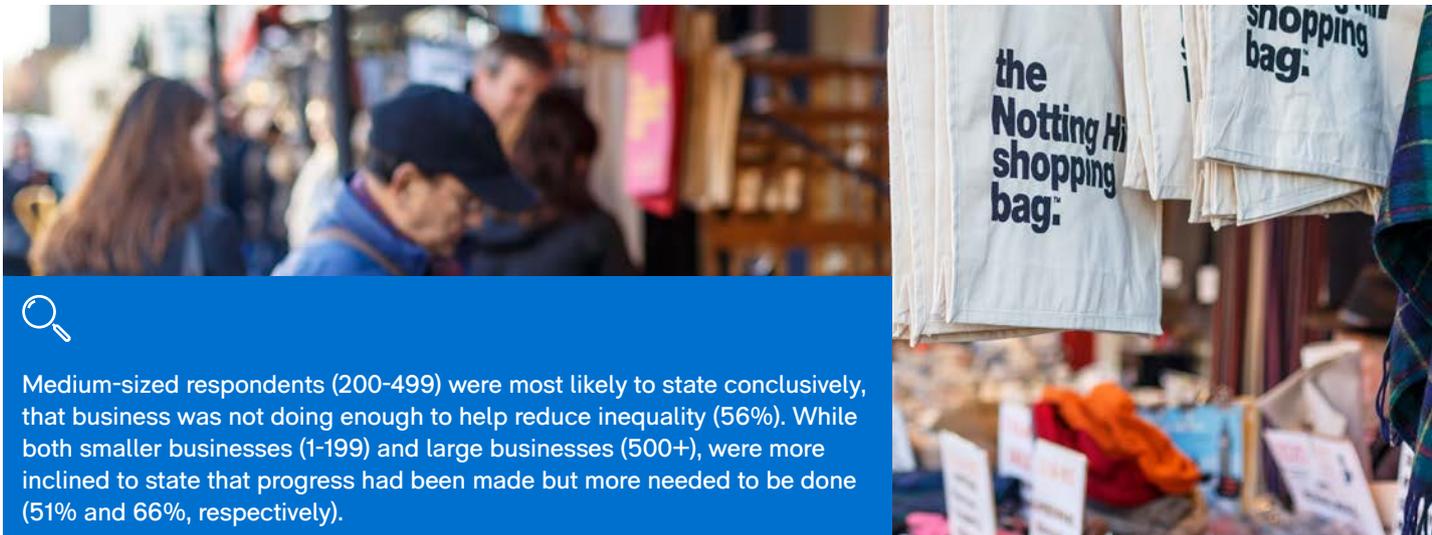


Medium-sized respondents (200-499) were most likely to state conclusively, that business was not doing enough to help reduce inequality (56%). While both smaller businesses (1-199) and large businesses (500+), were more inclined to state that progress had been made but more needed to be done (51% and 66%, respectively).

**Do you think the London business community is doing enough to help reduce inequality in society?**

**55%** Somewhat, business has made progress on its wider social impacts but there is more to be done

**26%** No, business is not doing enough to help reduce inequality

**12%** I do not know

**5%** I do not think it is the responsibility of business to help reduce inequality

**2%** Yes, business is doing everything it can to help reduce inequality

> ❝
>
> *"Business can and must lead. Forging a world leading progressive economy is our work, it's our business"*
>
> Tony Danker, Director-General, CBI

**Utilising purchase power to increase the role of business in reducing inequality**

LBS research also identified an additional way businesses can ensure they are making a positive impact in reducing inequality. This is through their purchase power. Businesses can use this to ensure they are rewarding other businesses within their supply chains and procurement processes that are actively participating in addressing inequalities. During qualitative research, one LBS respondent summarised this sentiment by stating "[w]e see an opportunity to use our buying power to work with organisations that make a positive social impact in the community. [This could be] through paying the living wage, creating diverse and inclusive organisations[,] opening up opportunities, paying full taxes… The biggest impact we can make is in rewarding companies with work and paying appropriately to enable them to offer this to their employees and [to] not cut corners/outsource to organisations ignoring these obligations/commitments'.

> ❝
>
> *"Look for opportunities to consider how supply chains can reach smaller businesses which may not typically have the opportunity to work with large corporate firms. PwC operates a social enterprise programme which involves identifying relevant, innovative start-ups to include in our supply chain, helping them scale the social and environmental impacts of their businesses. This allows us to use our purchasing decisions to have a greater impact on society and provides the social enterprises with sustainable income.*
>
> *We also provide support to help them navigate corporate procurement processes, which can act as a barrier to entry, so that they can apply the learnings to opportunities with other corporates."*
>
> Jeremy Willis, PwC Director of Procurement

**Alongside improving inclusion across London's workforce, business leaders state firms can do more to reduce inequality through increasing their community partnerships and utilising data**

42% of respondents also took to detailing additional information on what more they believe businesses should be doing, at both an individual firm level and as a business community to reduce inequality. LBS data and research showed that alongside addressing internal D&I, there were two additional areas business should focus on:

- Increasing engagement and partnerships between government, business and other stakeholders, such as educators, charities and community groups

- Utilising data to assess and monitor progress in addressing inequality and create informed targets

*"I am proud that London is one of the most diverse and progressive cities in the world. Yet not all of our communities are able to access the opportunities that London has to offer.*

*Business can have a tangible impact here, looking at their own workforces and communities, to help reduce inequalities across our capital."*

**Debbie Weekes-Bernard, Deputy Mayor, Social Integration, Social Mobility, Community Engagement**

*"Better, more inclusive, talent acquisition processes. More engagement with educational organisations and charities/non-profits and better promotion of initiatives that encourage inclusivity."*

**Real estate activities, 5,000-19,999 employees**

## Process: Use the power of data to measure and drive progress on inclusion and the business community's impact on addressing inequalities

**Leaders of larger firms see data as an effective way to measure diversity and equality progress**

LBS data demonstrates that businesses are seeing the positives of gathering and analysing data. When asked what the most effective and practical ways for business to measure improvements in diversity, inclusion, and equality were, 43% of respondents stated greater data collection. Strikingly, this rose to 73% for large business respondents, which could be a result of successful gender pay gap data collection, following the introduction of gender pay gap reporting. Alongside this, the value of employee opinion was cited, with 67% stating employee satisfaction surveys and 53% selecting feedback from internal networks/employee groups as effective methods of measurement.

**Siobhan Morris, UCL Grand Challenge of Justice and Equality**

*"To ensure progress in tackling inequalities in London, it is critical governments and business take inclusive and meaningful action. Effecting change requires building partnerships across all sectors of society.*

*Reducing inequalities and supporting inclusion can be guided by greater data collection, whether mandated by government or voluntarily collected by firms, alongside intersectional analysis of this data and evaluation of the impacts of interventions over time.*
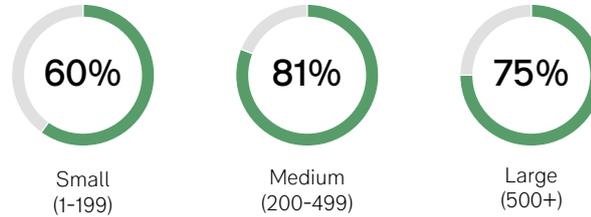
*Comparing and contrasting data through the lens of intersectionality avoids focus being placed on one area of diversity or one protected characteristic alone. Possibly at the detriment or exclusion of others. This also helps identify areas of overlapping multiple disadvantage are not missed and can be addressed."*
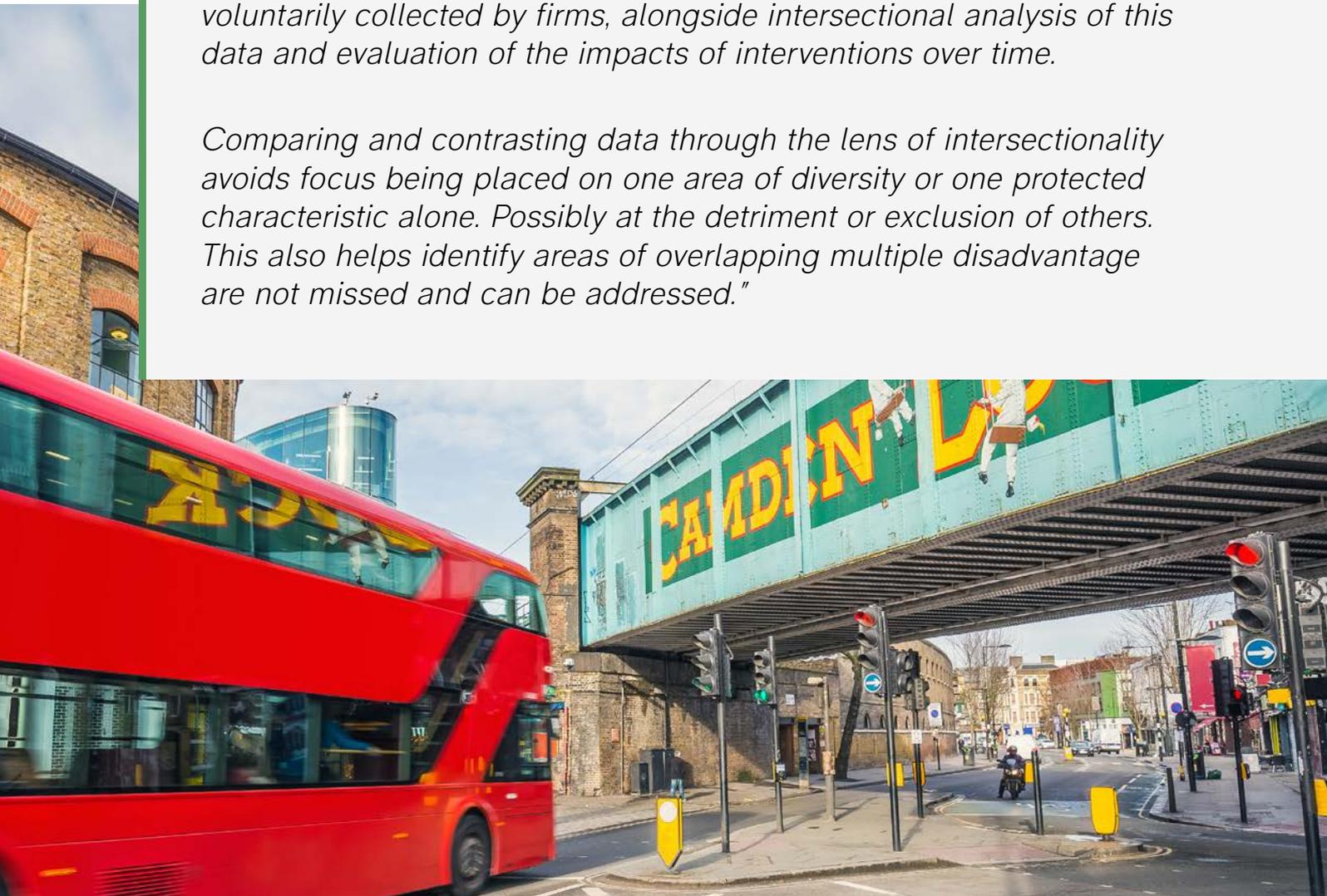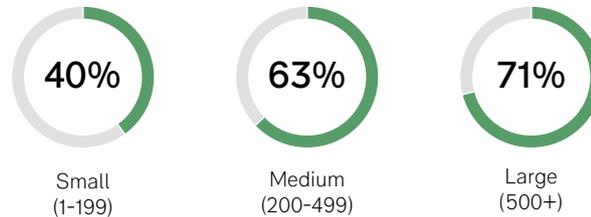
**What do you think are the most effective and practical ways for businesses to measure improvements in their internal diversity, inclusion, and equality?**
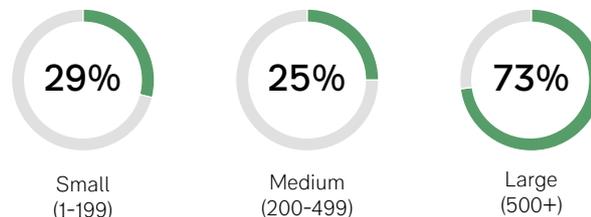
### Employee satisfaction surveys

| | | |
|---|---|---|
| 60% | 81% | 75% |
| Small (1-199) | Medium (200-499) | Large (500+) |

### Feedback from internal networks/employee groups

| | | |
|---|---|---|
| 40% | 63% | 71% |
| Small (1-199) | Medium (200-499) | Large (500+) |

### Greater data collection

| | | |
|---|---|---|
| 29% | 25% | 73% |
| Small (1-199) | Medium (200-499) | Large (500+) |

It is encouraging to see firms stating that greater data collection is an effective tool for businesses. Continuing to report, monitor and analyse data through an intersectional perspective, will play a key role in ensuring an equitable revival in London. It will enable both policymakers and firms to create informed policies and strategies. Employment data is already showing both the direct and indirect impacts of coronavirus, including on areas where progress was previously being made, such as female career development.[16] Continuing to build data collection, will enable businesses and government to track increases in inequality or exclusion, and help to measure the success of responses to tackle this. Evidencing the impacts will continue to turn the dial toward a more inclusive London economy and society more widely.

16. De Montfort University Leicester, **Research shows COVID-19 has impacted professional women more than men**, published 28.10.2020, accessed 18.11.2020

> "
>
> *"Set more ambitious and public targets, be brave to accept you may miss them."*
>
> Other service activities, 20-49 employees

**Build on the success of gender pay gap reporting to enhance workplace inclusion and shape wider policymaking**

The strength of support for greater data collection from larger firms may link to the introduction of mandatory gender pay gap reporting. With businesses also demonstrating their commitment to data collection by continuing to report on their gender pay gaps, despite its suspension and/or with resources stretched.

Overall, 43% of respondents stated they have continued to report on their gender pay gap, or plan to do so before April 2021. Crucially, this continued data collection will provide a more robust evidence base to assess and design recovery policies, alongside enabling both firms and policymakers to continue tracking progress on gender pay gaps.

The LBS data also shows that a number of smaller organisations are voluntarily reporting on their gender pay gaps, with 12% of respondents from smaller firms already reporting on their gender pay gap (despite the suspension) or intending to do so.

Over a fifth (22%) of London's business leaders also state their firms are tracking their ethnicity pay gaps, with notably 43% of large respondents doing this.
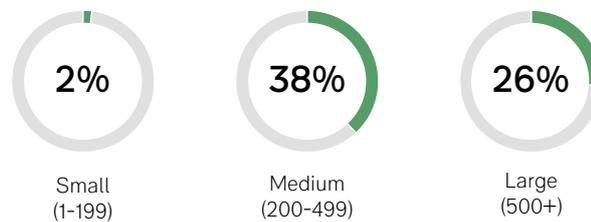
> "
>
> *"Government has a key role to play in driving good behaviours and celebrating successes. Gender pay reporting is a flagship policy that has brought the issue of diversity & inclusion into the boardroom."*
>
> Phillippa O'Connor, PwC National leader of the Reward and Employment Practice
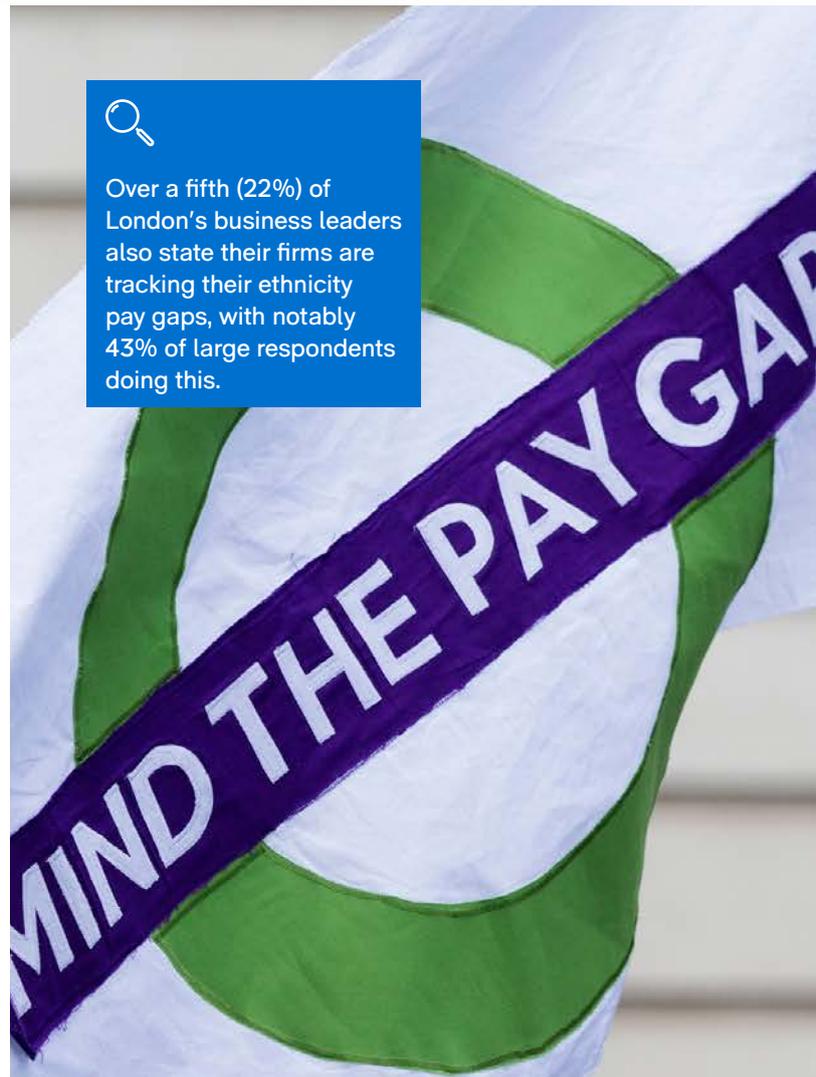
**Has your business continued to report on the gender pay gap?**

**Yes, we reported our gender pay gap before it was suspended**

| 9% | 38% | 49% |
|---|---|---|
| Small (1-199) | Medium (200-499) | Large (500+) |
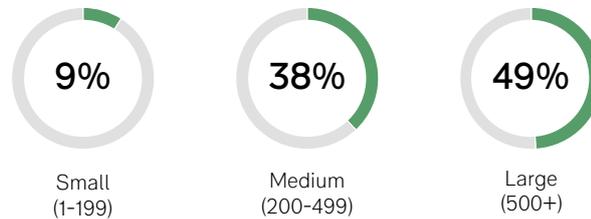
**Yes, we reported our gender pay gap after being suspended**

| 2% | 38% | 26% |
|---|---|---|
| Small (1-199) | Medium (200-499) | Large (500+) |

**No, we have paused reporting on our gender pay gap but it will be reported before April 2021**

| 1% | 0% | 9% |
|---|---|---|
| Small (1-199) | Medium (200-499) | Large (500+) |
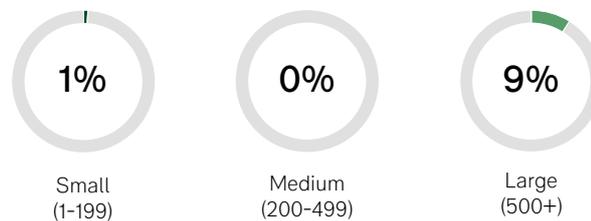
*"Businesses should urgently consider how to future proof data collection to ensure access to continuous, comparable data that can be used to track and measure change over time.*

*Surveys (such as opinion employee surveys) and data questions should fit changing lives, as well as enable business to capture or reflect shifting definitions in areas of diversity, inclusion and equality, for example of mental health, and keep pace with advances of support in technology and medicine."*

Structurally Unsound, UCL and Resolution Foundation

**If you can't measure it, you can't improve it: enhance data collection to avoid a hierarchy of inequalities and provide evidence for inclusive policy making**

While it is apparent that businesses see the importance of gathering data to measure equity and inclusion, LBS findings show that the full power of collecting and using data (across a wide spectrum of diversity and inequality) is yet to be realised. Despite some of London's business leaders voluntarily reporting on, or collecting, gender and ethnicity pay gaps, there is still room for improvement, particularly if this data is going to be used to inform local policymaking which require more firms in one region to report on their data. Respondents are showing lower levels of data collection in areas such as disability pay gaps (9%) or employee education (19%).

Failing to improve on data collection and widen the types of data being collected and analysed, can limit the impact firms can have in improving workforce representation and inclusion, while also limiting the data available for policymakers. There is also a concern that if gender pay gap reporting remains significantly more advanced than other areas, this could inadvertently create a hierarchy of inequalities by creating a focus on gender inclusive policy, without regard of other protected characteristics. But business can take the lead in this area before government intervention. Proactive action will ensure businesses and government effectively understand the challenges facing their workforce and/or region.

It is also worth noting that 30% of respondents also stated that they do not collect any equality and diversity data. This was highest (51%) among respondents with smaller firms (1-199) and could be reflective of earlier comments regarding more limited resources or internal expertise. Again, larger businesses and government support will be important here, to support smaller organisations with data collection and demonstrate the benefits of different types of data analysis for their business.

When assessing how to support further data adoption, lessons should be taken from the successful government and academic support that was provided to help firms when gender pay gap reporting was introduced.

**Overall, what equality and diversity data does your business currently collect?**

|  | Total |
|---|---|
| Gender pay gap | 48% |
| We do not collect equality and diversity data | 30% |
| Employee ability/disability | 24% |
| Ethnicity pay gap | 22% |
| Employee education | 19% |
| Employee community engagement data | 12% |
| I do not know | 12% |
| Other | 12% |
| Disability pay gap | 9% |

While some firms may find it challenging to analyse different pay gaps, due to a smaller employee base and limited number of roles, assessing the percentage of different groups of people within different quartiles, can be effective for analysis. For example, comparing the number of female colleagues in lower paid quartiles, compared to male colleagues in the same quartiles. This can be used across different areas of diversity and can help inform recruitment processes and development opportunities. Alternatively, where data collection is limited, looking at industry or regional wide data, can help inform action or highlight trends.
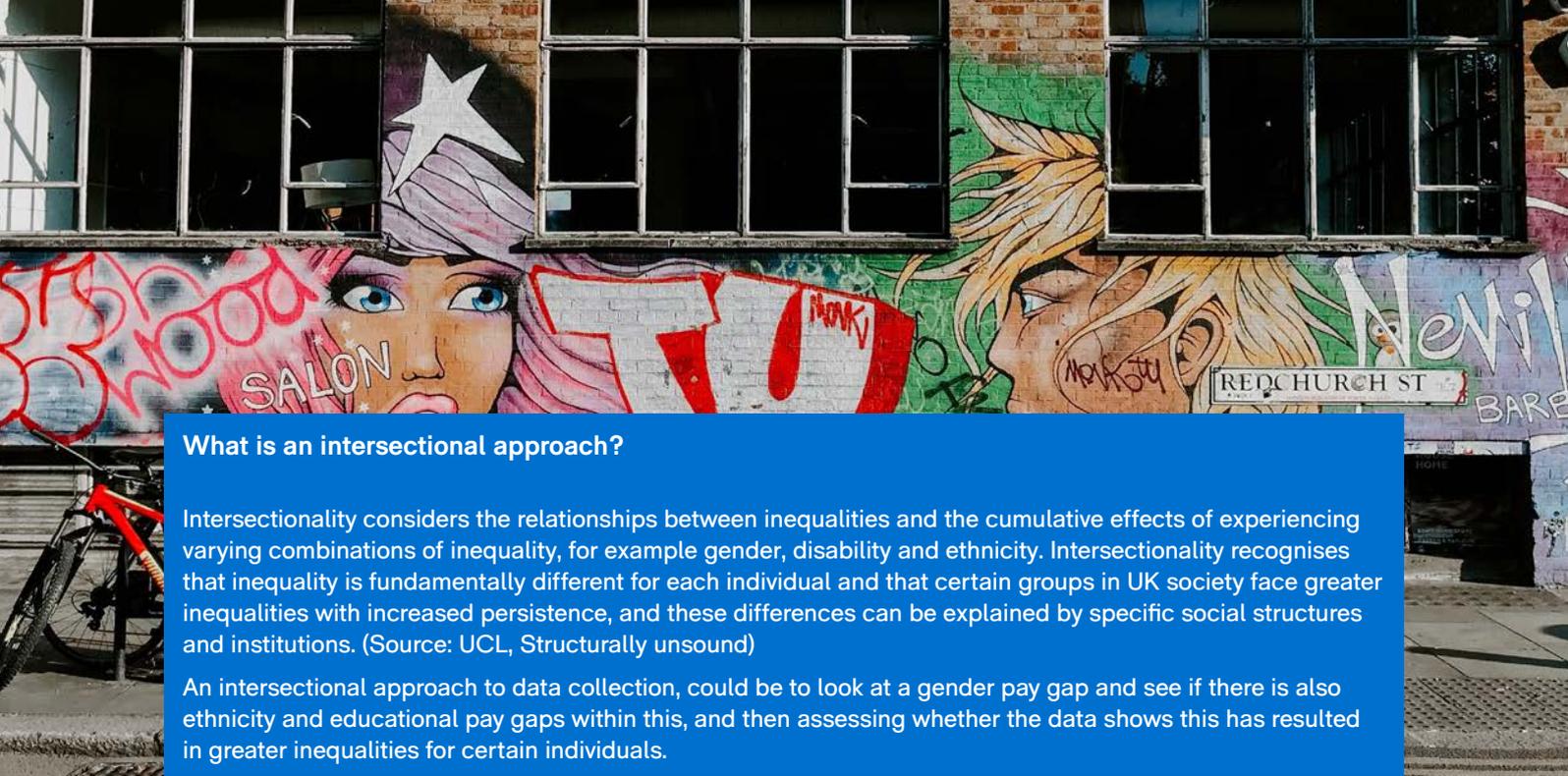
**What is an intersectional approach?**

Intersectionality considers the relationships between inequalities and the cumulative effects of experiencing varying combinations of inequality, for example gender, disability and ethnicity. Intersectionality recognises that inequality is fundamentally different for each individual and that certain groups in UK society face greater inequalities with increased persistence, and these differences can be explained by specific social structures and institutions. (Source: UCL, Structurally unsound)

An intersectional approach to data collection, could be to look at a gender pay gap and see if there is also ethnicity and educational pay gaps within this, and then assessing whether the data shows this has resulted in greater inequalities for certain individuals.

Qualitative LBS research also highlighted the challenges that businesses face when gathering employee data, due to a reluctance or uncertainty from colleagues to self-declare on protected characteristics or other areas of diversity. While this does present a difficult challenge for firms when looking to expand on data collection, increasing employee trust through D&I policies, allyship and consultation (as discussed earlier within this report from **page 21**), can help to overcome this barrier. Additional government guidance on how best to collect employee data and support on how to analyse it, will also be beneficial.

*"We monitor industry data in our sector which is collected by others."*

Information and communication, 1-9 employees

*"We silo diversity; [it] would be great to just recognise that we are all different and create a culture where we can all contribute to the best of our ability."*

Real estate services, 100-199 employees

**Workforce targets and quotas, alongside industry-wide initiatives and targets, are seen as less effective to measure improvements in internal diversity, inclusion and equality**

What also emerges from the LBS, is a trend that London's business leaders prefer focusing on their own internal diversity and inclusion progress when measuring improvements in D&I and equality (alongside greater data collection, as cited above). Only 19% of respondents felt workforce targets and quotas were effective to measure progress in D&I and equality. While only 27% stated industry-wide initiatives or targets were effective. This was particularly low among smaller business respondents (21%). This is likely in part due to the challenges of data collection, affecting accurate reporting but could also demonstrate a wider dislike of quotas and targets, which may be perceived as more bureaucratic or too broad and not take into account the particular challenges or barriers faced by individual firms.

To ensure action and progress is made on inequality, government intervention to encourage the self-declaration of data from colleagues may be required, enabling firms and policymakers to undertake more inclusive analysis. While quotas and targets were seen as less effective to measure internal improvements, qualitative research did show that if these had to be set, they should be government led and used as a guide (rather than mandatory), with targets preferably set at a local level. For targets to be set effectively, they would need to be led with business consultation and data driven.

If targets are seen by policymakers as essential, national government could consider setting business community wide-targets (as guides) and local government should use data collection to assess specific needs within their region. Regionally setting targets will enable a more tailored approach, and allow for targets to be set in consideration of the make-up of the business community in a particular area (reflecting different business sizes and industries), alongside the regional demographic of the workforce.

**What do you think are the most effective and practical ways for businesses to measure improvements in their internal diversity, inclusion, and equality?**

| | |
|---|---|
| **67%** Employee satisfaction surveys | **53%** Feedback from internal networks/employee groups |
| **43%** Greater data collection | **37%** Internal development and progression standards |
| **32%** Signing up to Charters and/ or Standards | **27%** Industry-wide initiatives or targets |
| **19%** Workforce targets and quotas | **7%** I do not believe we currently have effective ways for measuring improvements |
| **7%** Other | **6%** I do not believe this needs measuring |
| **4%** I do not know | |

## Partnership: Reducing societal inequality is an equal partnership between business and government

While London's business leaders have demonstrated their commitment to rebuilding a more inclusive and equal London, they recognise this cannot be achieved by business alone. 61% of London business leaders stated that reducing inequality is an equal partnership between government and business.

This partnership, alongside the principles of allyship, inclusive policy creation, data analysis and localised approaches, will be critical to *building back better*.

Positively, this strong sense of feeling was shared across London's business leaders, with over 60% of respondents in each business size category (small, medium and large) stating that reducing inequality was an equal partnership. This highlights a business-wide recognition of the impact and role of business across society and a more purpose-led consciousness.

# 61%

**of London business leaders stated that reducing inequality is an equal partnership between government and business.**
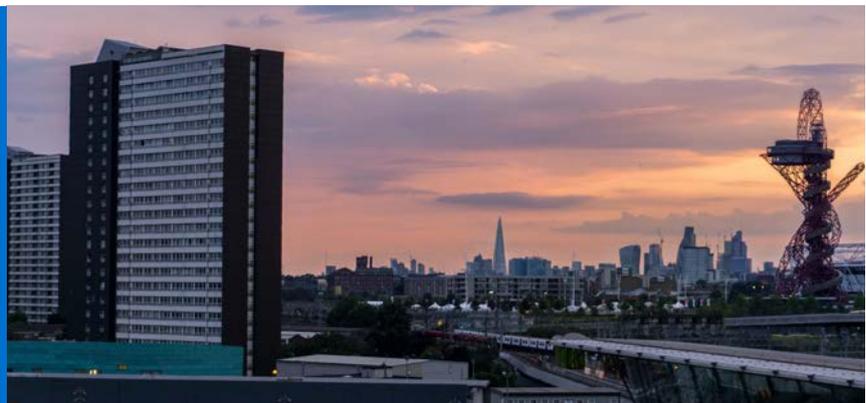
**Businesses should continue to support their supply chain partners to participate in government partnerships**

Once again, the role of larger firms in supporting their supply chains to be active participants in partnerships with government will be essential. Particularly, when overcoming the challenges of resourcing and internal expertise. This was highlighted by smaller LBS respondents who stated that while reducing inequality was an equal partnership, guidance on the role that businesses should play and in which areas would be essential. One SME business respondent summarised the point as "I think business has a significant role to play. However, [with] the businesses that I am familiar with, I think there is a lack of understanding in the inequality agenda and scope, which simply becomes overwhelming for the smaller SME's to contemplate making a difference".

To address inequalities it is vital to work in partnership across all sectors of society.

*"We are on a journey. There is far more we need to do, but progress is being made."*

**Professional, scientific and technical activities, 500-499 employees**

**When assessing the roles of the business community and the government in reducing inequality, what responsibility do you think they each hold?**
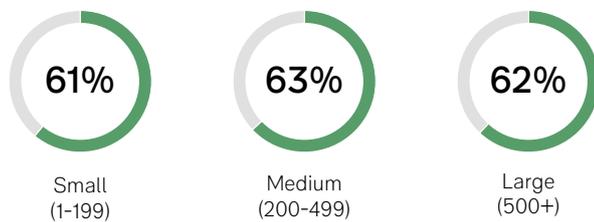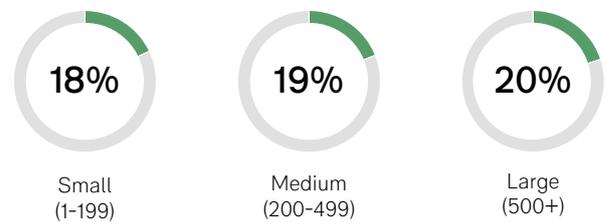
**I think it is solely government's responsibility**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 3% | 0% | 2% |
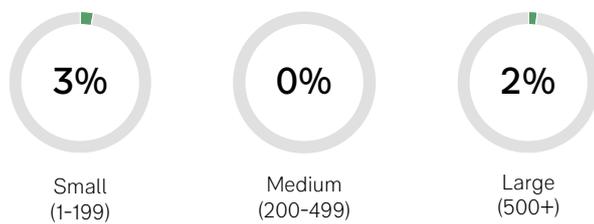
**I think it is predominately the responsibility of government, supported by the business**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 14% | 19% | 13% |
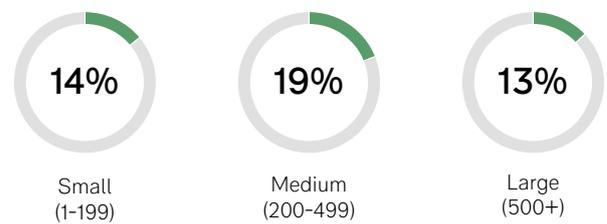
**I think it is an equal partnership between government and business**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 61% | 63% | 62% |

**I think it is predominately the responsibility of business, supported by government**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 18% | 19% | 20% |

**I think it is solely businesses responsibility**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 0% | 0% | 0% |

**I do not know**

| Small (1-199) | Medium (200-499) | Large (500+) |
|---|---|---|
| 3% | 0% | 4% |
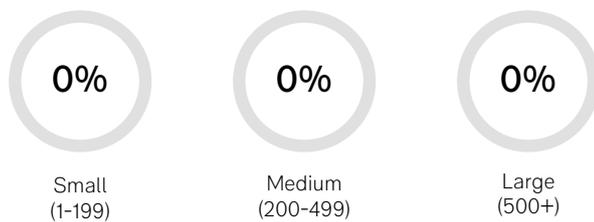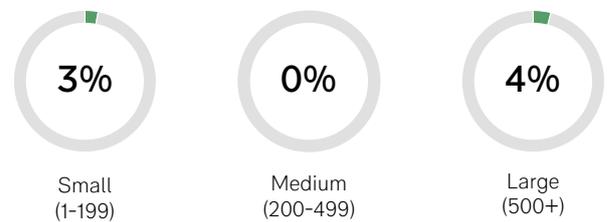
**Four guiding principles for building successful partnerships between government and business**

While addressing structural inequalities involves many different actors – including educators and academic institutions, charities and the wider third sector – it is important that the business community and governments (both national and local) establish guiding principles for the partnership required.

Creating a partnership between business, government and other actors, will help provide a clear, solutions-based framework to reduce inequality, ensuring solutions are practical and evidence-led. Failure to create these solutions and frameworks, risks alienating firms with more limited resource and capacity and thus limits London's inclusive and more equal recovery.

Data and qualitative research from the LBS, has identified four guiding principles which could be used to form the foundations and objectives of both local and national partnerships:

**01.**   **Agreement and clarity:** Agree on the definitions of different inequalities and the areas of inequality that business and government should work together on, while providing clarity on measures of success and the abilities of each partner

**02.**   **Setting long-term strategies:** Collaboration on long-term strategies to address key drivers of inequality with assigned responsibilities. Streamline the process for engagement between business and government

**03.**   **Guidance frameworks:** Establish frameworks and guidance on how businesses of different sizes and capacity can help reduce inequality, with suggested goals, metrics and tested principles of success

**04.**   **Localised approach:** Recognise and develop existing initiatives tackling inequality. Both utilise and share data and evidence to understand the local drivers and risk factors for inequality at a regional level. Undertake intersectional analysis

**A government and business partnership can start by helping to reduce inequality in employment, education, health and housing**

There are four areas of inequality that businesses regularly cite to the CBI as areas within which business can make a tangible difference, in partnership with both national and local government: **employment**, **education**, **health** (wellbeing) and **housing**. While not an exhaustive list, tackling inequality within these four areas, and ensuring it does not deepen further, will be essential to London's recovery. We explore an example of how this could work in practice on **page 43**.

Partnership sits at the heart of solving London's inequality. In response to this year's LBS, it is clear that the overwhelming sentiment of London's business community is that much great work has already been undertaken by business to help reduce inequalities in society. But more needs to be done. Business stands ready to work with both national and local government to address these disparities and to *build back better* a fairer, more inclusive and prosperous society.

*"Inequality remains prevalent and with London as the economic hub for the UK – quicker progress needs to be made."*

Real estate activities, 5,000-19,999 employees

> "
>
> Dr Olivia Stevenson, Deputy Director,
> UCL Public Policy

*"Partnerships are about having inclusive processes and strategic conversations and consultation, both between businesses and policymakers. Through these discussions, both parties can agree objectives and set action-orientated programmes of support.*

*To make this partnership effective, business will need a keen awareness of what government wants and expects from them. But they will also need the space and resource to be ale to develop their own locally meaningful objectives and ensure that action is delivered."*

## What could this partnership look like in practice?

# 01. Agreement and clarity

**What is educational inequality?**

Evidence on inequality in education shows that how much money a child's parents earn, which region a child lives and their ethnicity, are all 'very significant factors' in how successful a child will be at school. Where someone comes from still plays more of a deciding role in a child's educational attainment and outcomes, rather than their talents or efforts (Social Mobility Foundation).

**How can business and government work together to address educational inequality?**

Business and government can introduce and advance a number of policies, including apprenticeships and skills training, diversifying representation within subjects and study areas, enhancing work-readiness through careers advice, work experience and placements, and including workplace skills within the national curriculum. These may include entrepreneurial and digital skills and financial literacy.

**Who is involved in the partnership?**

This could include (but is not limited to):

- Department for Education and Department for Business, Energy & Industrial Strategy

- Greater London Authority – Skills and employability

- Business representatives

- Education representatives

- Social mobility representatives

- Local Councils and LEPs

# 02. Setting long-term strategies

Strategies for development between business, government and educational stakeholders could include policies on 'work-readiness' and careers advice/guidance to be implemented into the national curriculum from primary school through to further education.

# 03. Guidance frameworks

Coordinated national and local guidance materials could be produced to help businesses engage with local schools safely and effectively, as well as how best to arrange placements and the types of opportunities placements and work experience can provide/entail. Alongside this, guidance frameworks could be produced for different sized businesses on the average school/student engagements they should have, ensuring these are reflective of community demography, need, and industry breakdown. As well as to guide employers on how to talk about education and how to view different levels of education regarding specific job roles and measuring impact.

# 04. Localised approach

An example includes local government working with local businesses to establish existing successful education and business schemes and enhance/promote these across the local region. Connection should also provide clear local signposting and points of contacts for businesses, for example on the Greater London Authority or London Council's websites.

Both local and national government and businesses, could utilise local data on educational attainment, levels of education, to understand areas of educational inequality and underperformance and use this to guide priority areas. As well as assessing the make-up of business (both employees and industry) to establish where business, government and educational collaborations could enhance diversity and inclusion across the workforce.

# Recommendations for business and government

**Recommendations from Part 1: London Business Environment**

**Recommendations for national government**

- **Secure a deal with the EU which supports the UK's international competitiveness.** A deal with the EU should include an EU adequacy decision to protect the UK's status as a hub for global data flows, and scope and flexibility to be enhanced further, in areas such as cross-border services trade. Government should also continue to engage closely with the business community as the future trading relationship and partnerships with the EU develop.

- **Ensure a prompt and timely pre-departure testing system, ahead of the 2021 summer travel season:** Following the introduction of Test and Release, ensure the fast establishment of a successful pre-departure testing system, ahead of the 2021 summer season. This must be in place as early as possible and significantly in advance of the season, to provide consumer and business confidence and planning time. This will protect the UK's hub status, jobs in aerospace manufacturing, as well as businesses' international connectivity.

**Recommendations for local government**

- **Act at pace on Central London's economic recovery:** Ensure the timely publication of research into London's Central Activities Zone and Northern Isle of Dogs (CAZ / NIoD), (alongside any accompanying prosperity programmes) to inform future strategies for recovery, opportunities and growth across London.

- **Ensure the strongest possible post-Brexit investment environment:** The GLA, alongside London & Partners, should consider a targeted post-Brexit 'Invest in London' campaign. This should focus on both domestic and international financial inward investment, as well as human investment; encouraging study, tourism and spend.

- **Promote London as a leader in Green city development:** Ensure London's Green New Deal (GND) recovery mission is showcased on the global stage during COP26 and highlight London's air quality progress and commitments. Continue to position London as a global leader on green recovery, utilising spatial planning, carbon reduction and regeneration, including modern methods of construction on green transport.

- **Continue to develop London's digital connectivity:** Local government should look to further accelerate broadband and 5G roll-out across London, working closely with network providers and embedding digital transformation within development plans. This could be accompanied by appointing digital champions to Local Authority Cabinets. The GLA should concurrently reassess the Smarter London Together strategy alongside the Digital Access for All mission, ensuring this is reflective of the heightened digital needs coronavirus has presented.

- **Continue close business engagement on London's economic recovery:** The Mayor of London and GLA should continue to engage regularly with business, through all available structures, on the development of both the economic and social recovery missions and co-designing initiatives which have impact at borough-level. As well as engaging on the CAZ and NIoD recoveries and development.

## Recommendations for both national and local government

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- **Ensure businesses have clarity on their remit and responsibilities in regard to testing.** Provide business with clarity at a both national and local level on the parameters of their responsibility to ensure the successful uptake of rapid or mass testing options across the workforce. To aid this, commit to a programme of business guidance and engagement to help firms concurrently increase the understanding of their responsibilities within their sector or supply chain.

- **Ensure clarity within the business rates system:** Following the Spending Review announcements, provide clarity on the situation for all businesses paying business rates from April 2021. Furthermore, local and national government should continue to explore opportunities to provide relief for firms who were previously disqualified from rates relief and who have experienced dampened demand as a result of coronavirus.

- **Bolster London's international competitiveness in education:** both local and national government can play a vital role in projecting a positive and welcoming image for Global Britain. National government should work proactively to deploy new visa routes in partnership with educational institutions, learners and business. Involvement in the next cycle of the Erasmus programme should also be part of ongoing negotiations (and partnerships) with the EU.

- **Ensure a long-term stable financial settlement for Transport for London:** both national and local government must work together, in partnership with Transport for London (TfL), to secure a sustainable, long-term financial settlement appropriate for the critical role played by the capital's transport network. This will provide certainty for commuters and businesses.

- **Localise skills and career development:** national government should work to transform Job Centres into locally-led Job & Skills Hubs, with local autonomy to respond to changing market needs and align with education initiatives.


## Recommendations from Part 2: Building back better


## Recommendations for government

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- **People and Process: explore the benefits of a London Disability Employment Taskforce.** As previously endorsed by the London Assembly, the Mayor of London and GLA should consider how a London Disability Employment Taskforce might support the capital's employers, as well as those with disabilities and health conditions, into employment. Any Taskforce should also provide both employee and employer guidance on the variety of physical and neurological disabilities and health conditions. It should work alongside Disability Confident and encourage firms to be signatories – crucially maximising recent technological adoptions and flexible working.

- **Place: ensure and promote parity of esteem across educational routes and attainment.** Both national and local governments must continue to promote parity of esteem between different educational routes, including both vocational and non-vocational, and work towards greater inclusion across education through more targeted careers advice and school engagement. The GLA might also consider how the devolved Adult Education Budget could in future help to achieve these aims.

- **Process: assess data through an intersectional lens to create inclusive policies and programmes.** Both national and local government should cross reference data (such as employment, pay gap data and pupil/student subject selections) to: shape inclusive policy, measure success and evaluate policy impacts. While also making amendments where unintended adverse consequences may have arisen. Data can help ensure government policy is developed through the lenses of productivity, prosperity, inclusion, and equality.

- **Place:** assess the performance of existing initiatives at borough and regional level, sharing guidance on identified successes. Alongside local leaders, the GLA and stakeholders, such as educators, academics, businesses and the third sector, should better assess the performance of existing initiatives aimed at tackling inequalities across London, as well as initiatives designed to enhance participation and inclusion across London's workforce. Rather than looking to necessarily create additional new initiatives, improved evaluation of what is already in place, in required. Once trends of success are established, guidance should be considered to ensure adoption and participation of programmes and avoid duplication or reiteration of unsuccessful efforts.

**Recommendations for business**

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- **People: value employee opinion on D&I to build trust, allyship and measure progress**
  Value and act on employee opinion and avoid creating a hierarchy of inequalities. Acting on sentiment can help establish trust and enhance processes like employee self-declaration of data. Employee views can also help firms keep pace with D&I developments and measure progress. Gathering these opinions and conducting firm-wide consultation can be achieved through anonymous employee surveys, staff networks, staff forums (particularly useful for SMEs) reverse mentoring and allyship programmes. To ensure the benefits of networks and forums are maximised, appoint executive/management sponsors to champion these group/s and ensure they have formal routes to HR and/or D&I leads.

- **Process: enhancing inclusion in London's workforce through D&I strategies**
  Consider a D&I strategy to ensure business policies are inclusive of the experiences and needs of different colleagues and creating a more productive workforce. In developing policies to enhance representation of groups or demographics, assess how these policies also benefit or disadvantage wider underrepresented groups. Develop D&I strategies with intersectional analysis and staff experiences, inclusive recruitment policies and unconscious bias training. Strategies may also consider a firms' purchaser power to make positive social impacts. Larger businesses can help ensure their supply chains and/or SME partners are able to commit to diversity, inclusion, and equality, through the provision of mentoring, training or guidance.

- **Place and Partnership: look at the skills and practical impacts your business can make within the local business community.** Understand London-wide or borough-level causes of inequalities and/or risk factors. Set-out the constraints or limitations of your business in supporting local efforts and initiatives and identify any specific skills or resources your firm can provide. This will provide a greater understanding of what can be achieved in the immediate and mid-term and ensure collective action.

- **Process: harness the positive power of local and regional data.** Undertake greater data collection and intersectional analysis, to measure internal progress on D&I and equality commitments and to inform strategy. With businesses successfully navigating and continuing to report on gender pay, this shows similar efforts should be made toward capturing and reporting ethnicity and disability pay gaps. This will in turn provide greater data for policymakers to measure the impact of business and government programmes (including those designed to address inequality) and provide insights to shape policy or economic development. Business can also utilise local data, for example the London Datastore, to gain a greater understanding of challenges and opportunities across the capital which can inform engagements and partnerships with other businesses, civil society and educators.

**Recommendations for both government and business**

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- **Partnership: explore the formalities of an equal partnership between government and the business community to tackle inequality in a range of forms.** Such a partnership can be based upon several guiding principles:

  **1. Agreement and clarity** on definitions of different inequalities, expectations on both business and government, feasibility of action, measures of success

  **2. Setting long-term strategies** to address drivers of inequality, responsibilities, while streamlining engagement and collaboration

  **3. Guidance frameworks** on how businesses of different sizes and capacity can help reduce inequality, successful examples, suggested goals and metrics

  **4. Localised approach** to develop existing initiatives, data and evidence to tackle regional drivers of inequality.

# With thanks

With thanks to CBI London members, survey respondents and the CBI London Council, who contributed to this survey, report and accompanying LBS research. With particular gratitude to our partners, Travers Smith and UCL and the wider CBI team.

### UCL

**About us**

UCL is London's global university, an international research leader with a commitment to enhancing the lives of people in the capital, the UK and around the world.

With a diverse community of more than 41,500 students from 150 countries and over 12,500 staff, UCL pursues academic excellence, crosses boundaries and harnesses positive impact on real world problems.

Based in UCL's **Office of the Vice-Provost Research**, UCL Grand Challenges convene and cultivate cross-disciplinary collaborations that explore interconnected solutions to issues of pressing societal concern. The **Grand Challenge of Justice & Equality** fosters research, partnerships, and a programme of initiatives that examine the barriers people face to justice and how societal structures perpetuate and sustain inequalities, setting the agenda for future research on inequalities and building bridges with external partners.

**UCL Public Policy** is UCL's flagship initiative to support academic-policy engagement. UCL Public Policy enables a diverse range of researchers across disciplines to engage with policy needs and increase the accessibility of academic research for local, regional and national government, parliament, industry and third-sector stakeholders. Through strategic partnerships, including with the British Academy on Artificial Intelligence and Work, the Structural Inequalities Alliance on Inequalities, and the Local Government Association on Net Zero, the programme responds to pressing policy challenges. As part of commitments to driving inclusive engagement, UCL Public Policy co-leads a £10m Research England-funded consortium to improve sector-wide approaches to academic-policy engagement.

### Travers Smith

**About us**

Travers Smith is a leading full-service law firm comprising 83 partners across its offices in London and Paris. Our clients include financial services organisations and business enterprises involved in large and complex UK and cross-border activities.

The firm's ethos is to treat its clients' business and challenges as its own, ensuring that whatever its clients' ambitions are, Travers Smith will work as one of their team to help them achieve their goals. For its international and cross-border work, Travers Smith has focused on building carefully cultivated relationships with independent law firms all over the world, sharing quality standards and strengths. This enables the firm to provide a first-class, seamless service for clients around the globe.

Diversity and independence of thought are key to the firm's success. The firm believes that true inclusion can only be achieved if diversity is considered in a broader and more holistic way, which breaks down silos and recognises the multiple identities we each carry.

As part of our approach and commitment to diversity and inclusion, the firm produced a **booklet** in 2019 aimed at empowering people to become more effective allies for the Black, Asian and Minority Ethnic (BAME) community. We have since rolled this out across the firm and, recognising that tackling inequality involves a concerted cross sector effort, are actively encouraging other businesses to take a similar approach. Effective allyship goes beyond tackling racial inequality, it should also consider the needs of all minority groups, such as the LGBTQ+ community, people with disabilities and many others, and should be considered on an inter-sectional basis.

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