



**THE
GLOBAL
CITY**

**London and the UK's
global offer to business:**
Access to talent and skills



Access to talent and skills

World-leading universities and MBA programmes, an international workforce, and high quality of life driven by a rich cultural scene make London and the UK a global financial centre where financial and professional services firms find highly-skilled talent. This is supported by labour laws that are flexible and let firms respond to current business needs.

To remain competitive in the future, the UK needs to close skill gaps in London and across the country, provide skilled international talent with a pathway into UK-based firms, and re-build London's attractiveness as a metropolis to not lose bright minds to other centres.



View online at:
theglobalcity.uk/competitiveness

London/UK

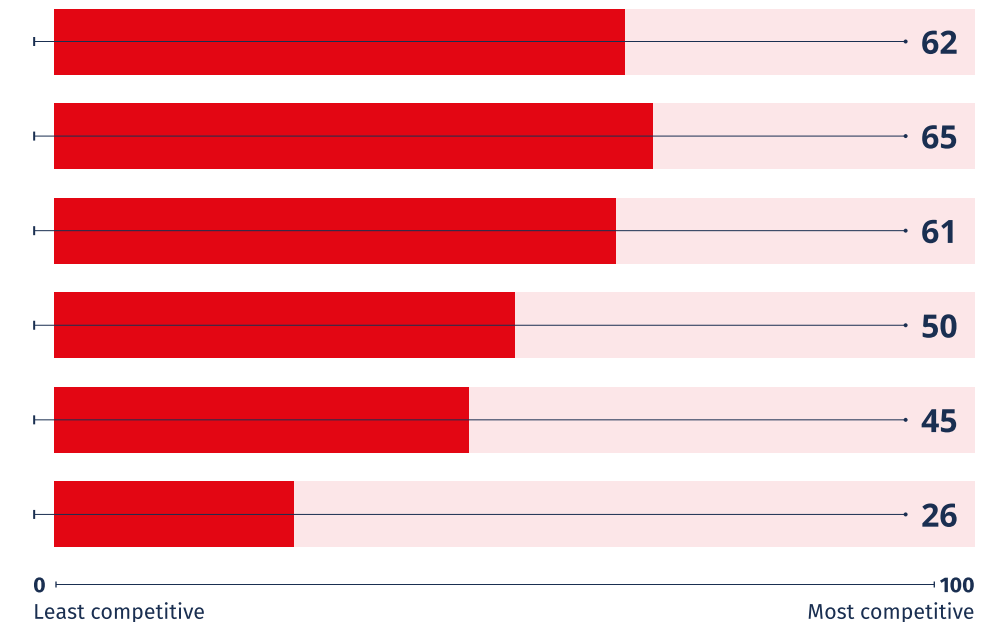
New York City/US

Singapore

Frankfurt/Germany

Hong Kong

Tokyo/Japan



Metrics

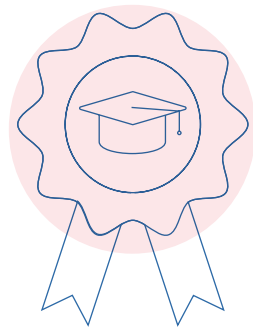
- Share of relevant graduates
- Math and science skills attainment
- University rankings
- Top-level business schools
- Digital skills among population
- Skills in workforce
- Extent of staff training
- Reskilling needs
- Flexibility of labour laws
- Diversity
- Ease of hiring foreign labour
- Share of foreign-born population
- English proficiency
- Inbound international students
- Visa process complexity
- Cost of living
- Cultural interaction
- Air quality
- Share of green spaces
- Happiness

Skills, hiring, and training

With the world's best universities, leading MBA programmes, and 40% of all graduates gaining degrees in courses directly related to financial services, financial and professional services firms in the UK have access to a world-leading pool of highly-qualified entry-level talent. The UK's current workforce needs to increase skillsets, especially for digital, and embrace life-long learning. Employers could benefit from reaching out to a broader, more diverse talent base.

The UK is home to the world's best universities.¹

The quality of the UK's universities is unmatched. Of the global top 100 universities, the UK's universities are scoring best. In 2020, the University of Oxford was named best university in the world; the University of Cambridge ranks third. Nine other universities from across the UK feature in the global top 100. Over the past five years, the UK universities' rankings have increased, demonstrating that their offering is becoming better and better. Businesses located in the UK can recruit straight out of these universities and have access to talent with the best potential world-wide.



Oxford University was named 2020 best university in the world

Sources

¹ The Times Higher Education World University Rankings 2020.
² Financial Times Global MBA 2016.
³ UNESCO 2016.
⁴ PISA 2018, World Economic Forum 2019.

1 in 10 world-leading MBA programmes are offered at business schools in the UK.²

The UK's business schools are home to some of the world's best MBA programmes: In 2020, nine UK programmes made the Financial Times Global MBA's ranking of the 100 best full-time MBA programmes world-wide. The London Business School's MBA programme features in the top ten. Whilst the UK demonstrates a considerably better performance and quality than many other global financial centres, it cannot compete with the quantity of the US' business school landscape. More than half of the top MBA programmes are home in the US. Over the last five years, the number of UK MBA programmes featuring in the ranking fell from 15 in 2016 to 9 in 2020; whereas the US' number rose from 47 to 51. To ensure its future competitiveness, the UK needs to identify the underlying reasons behind this trend and reverse it.



The UK's financial services sector thrives because of the skilled and talented people who drive it; people who can innovate, seek out new solutions, embrace change and new technology. The UK offers a skilled and motivated workforce with drive, ingenuity and commitment to excellence and continues to attract the best talent from around the world. At the Financial Services Skills Commission we are working with the industry to broaden and diversify the supply of talent to help UK financial services remain a global leader.

Claire Tunley

Chief Executive Officer, Financial Services Skills Commission.

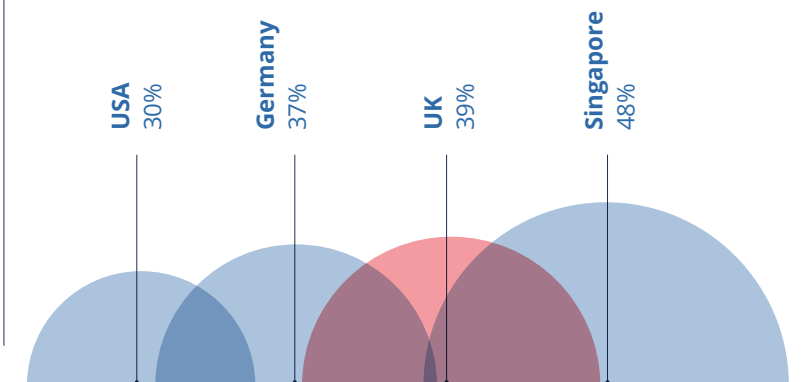
The UK is home to 9 of the 100 best MBA programmes world-wide

Financial and professional services firms in the UK have access to a vast pool of highly-qualified entry-level talent.³

Financial and professional services firms in the UK have access to a vast pool of relevant graduates: Almost 40% of all graduates from UK universities graduate from business, mathematics, or information technology programmes. This is a higher share than in the US or Germany. With many of the UK's universities and business schools being world-leading, this provides for highly-skilled entry-level talent. Financial and professional services firms across the UK can fill their junior roles with young people that are ambitious, qualified, and eager to work towards a business' continued success.

40%

Almost 40% of all graduates from UK universities **graduate from business, mathematics, or information technology programmes**



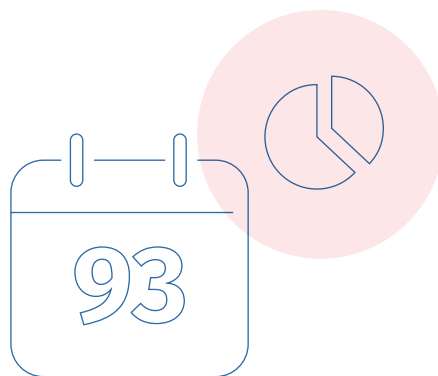
Current workforce needs to increase skillsets for the UK to offer an even broader talent base.⁴

Whilst the UK is a leading centre for innovation and home to the world's best universities, more needs to be done to ensure the UK's current workforce has the skills to respond to a changing world. The latest PISA assessment results showed a stark east/west divide for pupils' mathematics and science skills attainment. Whilst Singapore, Hong Kong, and Japan score best, the UK, Germany, and the US is in the bottom half of results. However, the UK's results improved between 2015 and 2018. In comparison with other global financial centres, only Japan has lower prevailing digital skills amongst a market's active population than the UK. Executives state that Singapore's population is most likely to possess sufficient digital skills, followed by the US, Hong Kong, and Germany. For finding skilled talent overall, executives state they are most likely to find people with the skills required to fill their vacancies in the US, followed by the UK and Singapore.



For lack of skills not to become a competitive disadvantage in the future, the UK needs to actively support its workforce in identifying what skills people need, what programmes work best for people to re- and upskill, and how firms can be supported to deliver training and development.⁵

Businesses world-wide report that their employees have significant reskilling needs, ranging from an average of 93 days of training and development in the UK to 101 days in Singapore. These figures reflect training needs in addition to activities that are already taking place in financial and professional services, such as mandatory regulatory training. Despite this need, the UK's financial services sector has a lower relative spend on training than other sectors, and the second lowest spend per trainee. A WEF assessment of social mobility and lifelong learning in markets gives further evidence of this lack of training: Of all global financial centres, companies in the UK invest the least in training and employee development. The UK Financial Services Skills Commission's work is crucial to identify exactly what skills people in the UK are lacking and how the country's workforce skillset can be improved to avoid falling further behind in the future.



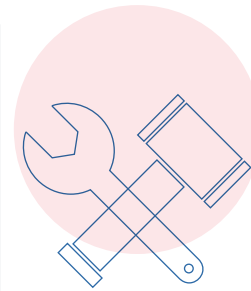
93 days of training and development needs in the UK compared to 101 days in Singapore

The UK's labour law regulations provide businesses with the flexibility to respond to changing business environments whilst giving employees sufficient job protection and security.⁶

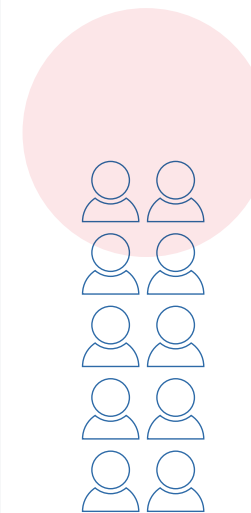
Labour laws in the UK provide businesses with the flexibility to respond to changing business environments. When asked to what extent a country's regulations allow for the flexible hiring and firing of workers, executives respond that the UK's hiring and firing practices are above-average flexible. Whilst the UK ranks behind Hong Kong, Singapore, and the US, this does evidence that the UK has one of the most flexible labour laws in Europe and is striking a working balance between the needs of businesses and the protection and security of employees. Between 2018 and 2019, no global financial centre relaxed their labour laws further.

With just 20% of financial services executive committee positions held by women, the UK lags its global competitors. Achieving gender parity would help businesses tap unused customer potential.⁷

Women in the financial services sector are under-represented. Research shows that women control two thirds of global household spending, hold 40% of total global wealth, and of all entrepreneurs, 40% are women; yet the global average of female representation on financial services executive committees is just 20%. Of all global financial centres, the US has the highest share of women on executive committees with 26%; followed by Singapore with 23% and the UK with 20%. Japan ranks at the bottom of the group with just 5%. Whilst all global financial centres apart from Singapore have improved their share compared to 2016, more needs to be done to achieve true gender parity. The financial services sector overall needs to become more inclusive. Businesses would benefit from this as teams would better represent their customer base and unlock yet unused potential.



The UK has **one of the most flexible labour laws in Europe**



20%

Female representation on financial services executive committees in the UK is just 20%

Sources

⁵ World Economic Forum 2018, 2019; Financial Services Skills Commission 2020.
⁶ World Economic Forum 2019.
⁷ Oliver Wyman 2020.



International talent

An already international workforce makes London one of the most globally connected financial centres of the world and students from abroad further contribute to its international talent base. The UK's new immigration system needs to continue facilitating access to international talent to ensure the future competitiveness of businesses and avoid driving skilled talent away through high visa costs. Once COVID-19-related travel restrictions are lifted, the UK's higher education system as well needs to return to attracting students from around the world.

London is the most international financial centre and businesses located in the UK's capital can recruit from a diverse pool of talent which helps them establish relationships with clients and partners from around the world.⁸

At 38%, London has the highest share of foreign-born population of all global financial centres. This demonstrates both the attractiveness of the city for people from all over the world, but also benefits the city's talent pool as businesses can hire from a multitude of backgrounds, helping them to facilitate connections with clients and partners from around the world. New York City comes second with 37.2% of its population born abroad. With a share of just 3.4%, Tokyo is the centre with the least international population.



In the increasingly interconnected world in which we live London's status as a leading global financial centre has never been more dependent on the quality of people it attracts to work here and support it. Its future success depends on it continuing to be a 'magnet for talent' and attracting the most diverse and innovative people to build their careers and enrich their lives.

Rachel Taylor
Partner, PwC.



Sources

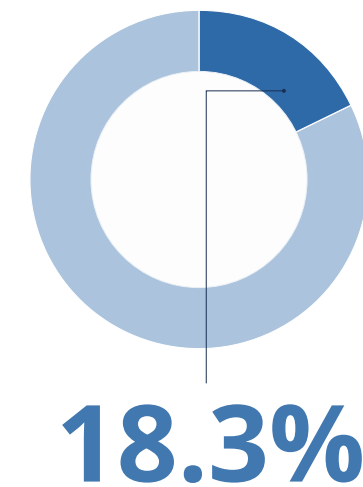
⁸ World Cities Culture Forum 2020.

⁹ UNESCO 2018.

¹⁰ EY 2018, 2020; World Economic Forum 2019.

The UK is a world-leading destination for international students, second only to the US. This helps UK businesses find talent from all over the world, but COVID-19-related travel restrictions could severely impact this competitive advantage.⁹

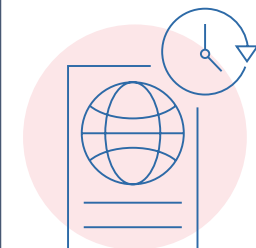
In addition to being home to the world's best universities, of all global financial centres the UK is the second largest destination for international students. In 2018, the UK was home to more than 450,000 international students coming from 184 countries. Whilst the US hosted double the amount, in relative numbers the UK was the most attractive destination for international students: 18.3% of all enrolled students in the UK were from abroad, which compares to just 5.2% in the US and is the highest share of all global financial centres. The UK's post-study work visa allows international students to stay in the country for up to two years after graduation to look for work related to their degree. This adds to the UK being a global financial centre where businesses can find top talent from all over the world. COVID-19-related travel restrictions can have a severe impact on this competitive advantage. The UK's education landscape needs to spell out what it means to be an international destination for students post-COVID.



of all enrolled students in the UK were from abroad, which compares to just 5.2% in the US

The UK's future immigration system needs to ensure that access to international talent remains competitive.¹⁰

Financial and professional services firms looking to establish relationships with international clients and partners benefit from international staff who understand the other party's culture and language. Attracting international workers is only possible if the regulatory environment supports it. The UK's visa process had strengths and weaknesses: In days, it was the quickest process of all global financial centres. On average, applicants needed to wait 22.5 days from the beginning of the visa process to work start day. This compared to 25 days in Singapore, Hong Kong, and Germany, and 40 days in the US. On the other hand, the UK's visa costs were much higher than those in other financial centres: The total visa application fees for a two-year intra-company transfer visa in the UK were GBP 3,209. Applicants had to pay GBP 859 in the US and just GBP 19 in Hong Kong for a comparable visa. Executives saw it easiest to hire foreign labour in Germany, followed by the UK and US. The UK's new immigration system needs to ensure that access to international talent remains competitive. The perception of the UK as a top destination for international talent has diminished in the last four years and risks falling lower once Freedom of Movement ends. It is therefore vital to make access to skilled workers from around the world as straightforward as possible for businesses to benefit from it. At the same time, it is crucial to rethink what access to international talent means in times of COVID-19: Physical presence may become less important when people can work more flexibly and remotely.



The UK's visa process was the quickest process of all global financial centres

Quality of life

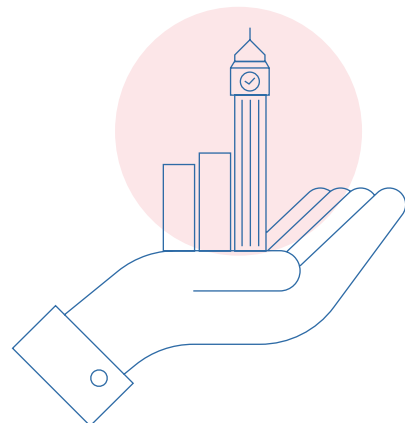
London is one of the world's most attractive cities and acts as a magnet for bright talent from all over the world. Despite only New York City and Hong Kong having higher living costs, the UK capital's globally un-rivalled cultural scene makes London a great place to live. With improving air quality and more green space than the European city has on average, London is also responding to current and future sustainability demands. However, like major cities all around the world, COVID-19 has had a deep impact on London's quality of life and going forward the city's characteristics need to be brought back to life.



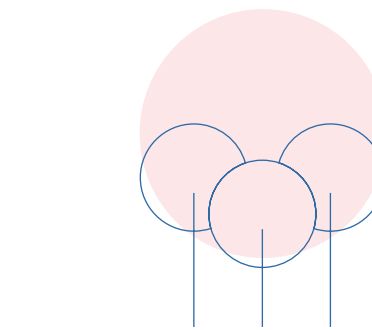
Underbelly Festival, Southbank, London

London is one of the world's most attractive cities to live in and acts as a magnet for bright talent from all over the world.

Pre-COVID, London was one of the world's most attractive cities to live in: With an un-rivalled cultural scene, plenty of green space, and improving air quality, London's quality of life acted as a magnet for people from all over the world. Whilst many aspects of city life such as interaction with others, density, and proximity have been affected by the pandemic, London will be ready to open its doors to the world once again.



Pre-COVID, London was **one of the world's most attractive cities to live in**



1/3

of London is green space

Living in London is costly: Only Hong Kong and New York City have a higher cost of living.¹¹

With a vibrant cultural scene, historical sights, a diverse range of activities, and people from every corner of the world, London is one of the most attractive cities to live in. The city pulls bright minds from all over the world which add to London's vast pool of talent. One of the downsides of the city's attractiveness is its relatively high cost of living, including rent: Of all comparator financial centres, only Hong Kong and New York City are costlier to live in. This may have negative impact on the availability of talent, as not all those who are highly-skilled and able to support businesses can afford to move to or live in London. Whilst the increase of rental costs in Central London has stagnated since 2016, cost of living in London is still higher than in other financial centres such as Tokyo, Singapore, or Frankfurt. It is not possible yet to predict what long-term effects COVID-19 will have on these dynamics. The possibility of more remote and flexible working can enable businesses to look for talent beyond London's boundaries. At the same time, 1 in 7 Londoners say they want to leave London because of the pandemic. This could lead to falling living costs, which in turn would enable new demographics to move to London and make use of the city's opportunities.

Whilst the majority of London's cultural scene has temporarily shut its doors because of COVID-19, the city's attractions are ready to welcome back the world once it is safe again to do so.¹²

No other city comes close to London's vibrant cultural scene. The city's number of theatres, concert halls, and museums; its attractiveness of shopping and dining options; the numbers of visitors from abroad; and its environment of creative activities are globally un-rivalled. Many of London's cultural offerings are home in or near the City of London, such as world-famous St Paul's Cathedral, Tower of London, and Tower Bridge; as well as the Barbican Centre. Whilst London's cultural scene does act as a pull factor for people from all over the world, COVID-19 is negatively impacting on London's cultural offering as many venues are closed and international arrivals have significantly dropped. However, London's attractions and cultural scene are ready to welcome back the world once it is safe again to do so.

Sources

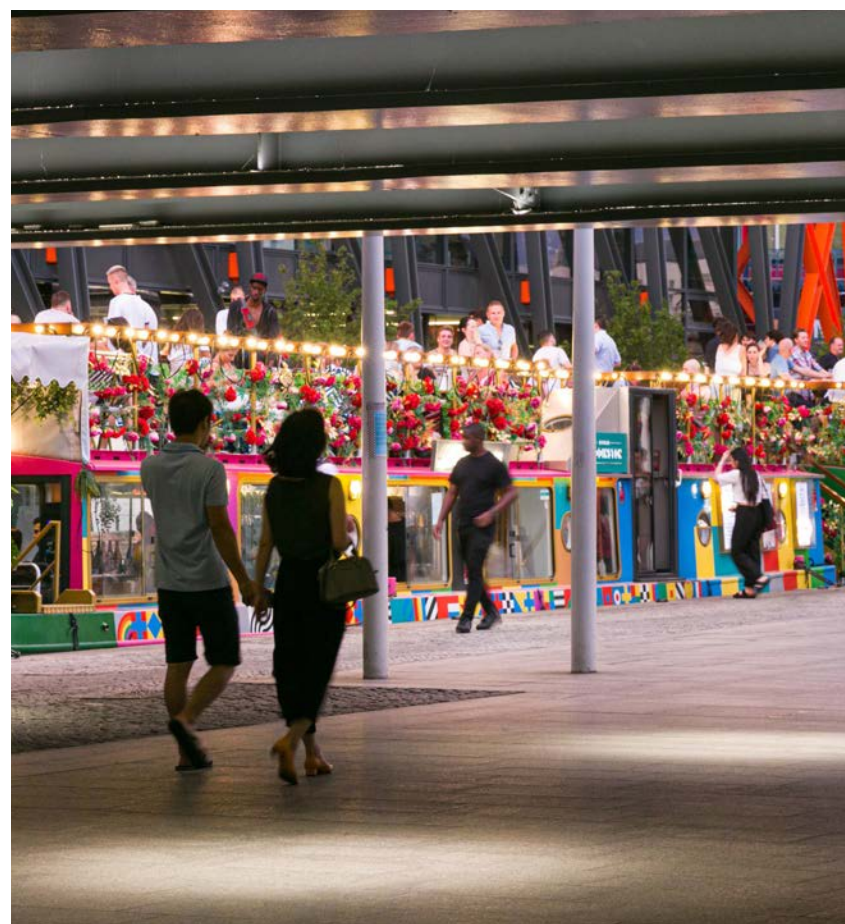
¹¹ Numbeo 2020, London Assembly 2020.
¹² Mori Memorial Foundation 2019.



Canary Wharf, London

London's air quality is fast improving and the City of London is the UK capital's most ambitious borough with the first zero-emissions street, ambitious walking and cycling plans, and a radical Climate Action Strategy.¹³

Through enacted measures such as London's Ultra Low Emission Zone, investments in walking and cycling infrastructure, and ambitious climate targets, London's air quality has much improved over the last five years. Still, of all global financial centres, only Singapore and Hong Kong have more polluted air than London. Improving the city's air quality does not only have direct implications for peoples' health, but also underlines London's commitments to sustainability and strengthens its positioning as a leading centre for the green economy. Changes to the city's transport infrastructure that were implemented during the pandemic, such as more space for pedestrians and enhanced infrastructure for cyclists, can help achieve much-needed improvement. The City of London is one of London's most ambitious boroughs around sustainability efforts: It has introduced the city's first zero-emissions street, made radical changes to its road network to make walking and cycling easier, and is developing further measures through its Climate Action Strategy.



Regents Canal, Paddington, London

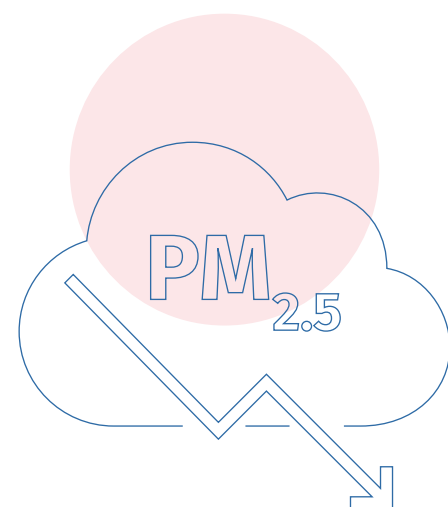
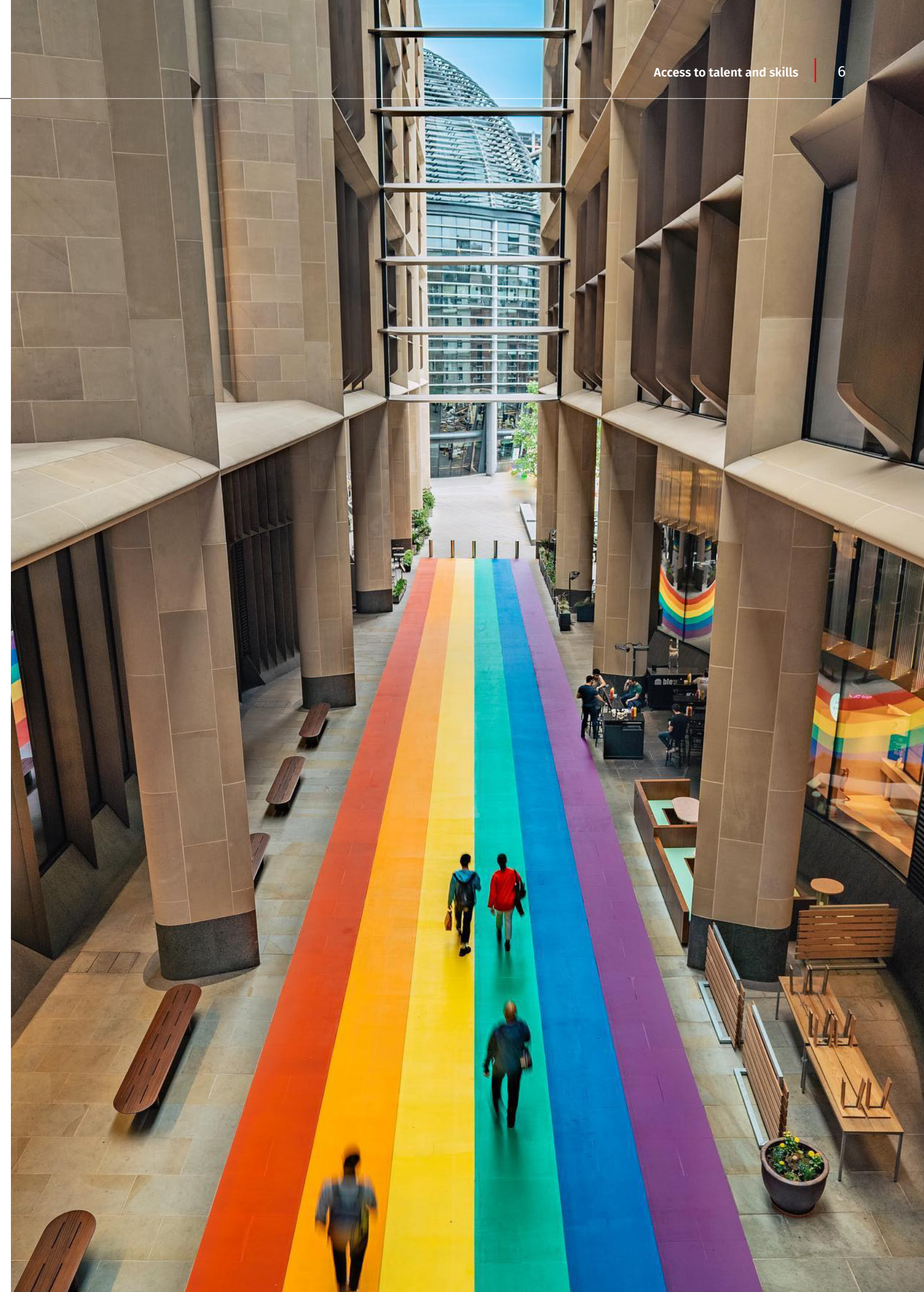
To remain an attractive city to live in, London needs to increase its share of green space in the city – a measure becoming even more critical now.¹⁴

Whilst London has more green space than the European city on average – 33% vs 18% – international cities such as New York City, Hong Kong, or Singapore have an even higher share of green space. Residents of large cities enjoy parks and natural landscapes as an escape from widespread glass and concrete. Post-COVID, this is becoming even more important – with 35% percent of UK residents citing access to green space as critical. To remain an attractive city for people to live in, London needs to increase its share of green space – and the City of London will help by transforming the way streets and buildings look. Through its Climate Action Strategy, the City will implement a range of measures such as creating living walls, planters on pavements and streets, and green roofs.

Right: Bloomberg building, London

Sources

¹³ World Air Quality Index 2020.
¹⁴ World Cities Culture Forum 2020.



London's air quality has **much improved over the last five years**

About the Global City campaign:

The Global City campaign is The City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

theglobalcity.uk



**THE
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About the City of London Corporation:

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

www.cityoflondon.gov.uk