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connecting the sectors

The Whitehall & Industry Group's

Economic Growth & Prosperity Series:

Six months in review

April-September 2020





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Economic Growth & Prosperity Series: Six months in review

With the onset of the COVID-19 pandemic sitting alongside the UK's exit from the European Union, ongoing challenges with boosting productivity and 'levelling-up' economic realities across the country, economic growth and prosperity sits at the very centre of the dialogue between the public, private and not for profit sector collaboration.

The Economic Growth & Prosperity Series has looked at some of the biggest challenges and opportunities for Whitehall and the private sector to work together to navigate the rebuilding of the economy after the pandemic. With reference to COVID-19 throughout, the core events within the Economic Growth and Prosperity theme have looked at:

- The Industrial Strategy
- Regional Growth
- Productivity
- R+D
- Funding and the Sector Deals
- Finance and Economics

The following reports are insights into webinars from WIG's Economic Growth & Prosperity series that took place in April - September 2020. This document will give you an overview of the content covered, unique polling data from our members, and themes that emerged from questions that were raised throughout the presentations.

Best wishes,
Tom Sapsted

Head of Content & Events





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Economic Growth & Prosperity Series

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Economic Growth & Prosperity Series

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'Economic Growth & Prosperity' Series

COVID-19 Sector Updates: Aviation

21 April, 2020

Expert Insight

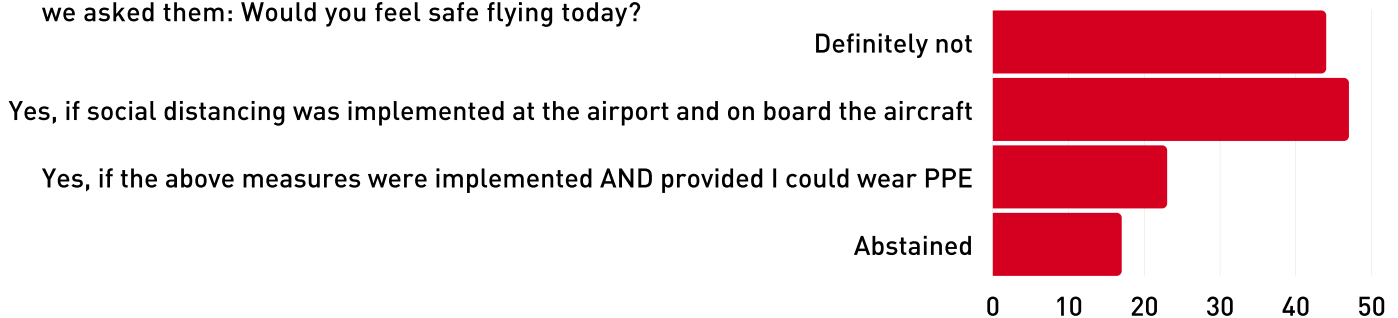
We were joined by Nigel Milton, Director of Communications at Heathrow Airport to discuss the impact of COVID-19 on the aviation sector. He touched upon points including:



- Whilst UK airport passenger traffic has followed the pattern of decline across Europe, Heathrow Airport has seen a large increase in cargo movements and plays a vital role in maintaining the UK's many and varied supply lines.
- Airports have implemented numerous social distancing and health & safety measures to enhance both passenger and colleague safety, including revised security methods, redesign of spaces, and arrangements for remote working, meaning that people do now have the ability to fly safely. Heathrow Airport is still considering options for improving safety further through health passports and PPE, for example.
- A clear international standard as well as cooperation with other key players to enhance passenger safety when travelling to and from airports are required to avoid confusion and to rebuild passenger confidence

Cross-sector Opinion

Over 180 attendees from the breadth of our cross-sector membership listened in, we asked them: Would you feel safe flying today?



Our members' questions

Our members raised some challenging questions to be answered as COVID-19 continues to impact the aviation sector, some of the big issues raised included:

- The impact the current situation is having on the UK's supply lines via Heathrow Airport and how airports are working with affected businesses in these difficult times
- What kind of influence Heathrow Airport has on how airlines are managing the COVID-19 crisis and the mitigations they are implementing
- The prospect of further new safety measures, their permanence and their impacts on passenger confidence and profitability
- The speed and shape of recovery that is expected for the industry once travel can resume

WIG members can listen to Nigel's presentation [here](#)

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'Economic Growth & Prosperity' Series

UK2070 - Delivering a Connectivity Revolution

24 April, 2020

Expert Insight

We were joined by Prof. Vincent Goodstadt, Chair, Steering Group, UK2070 Commission to discuss the Commission's final report and take a closer look at how a connectivity revolution is just one of the things required to help reduce regional inequalities in the UK.

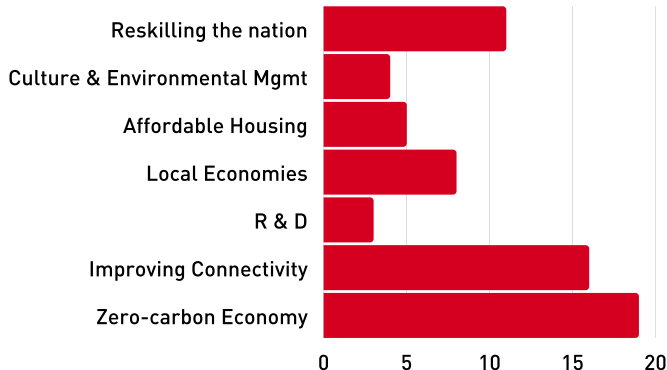


During his presentation he touched upon points including:

- A disconnect in the current approach to addressing regional growth
- The 10 point point action plan recommended by the Commission
- Where the current transport system was not fit for purpose

Presentation Spotlight

Which are the top two priorities for investment in the UK?

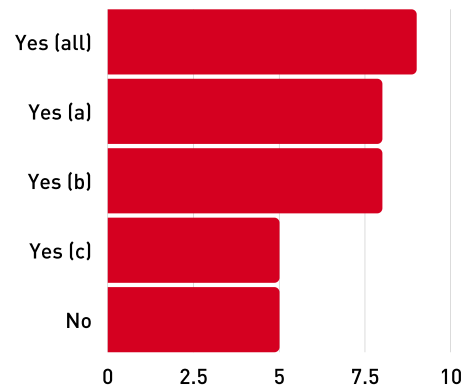


Would you like to see a radical change in the way the country is run in terms of :

(a) devolution of powers to local authorities

(b) local tax raising powers

(c) decentralisation of government to the English regions?



Our members' questions

Our members raised a number of questions particularly around devolution, and the impact of the COVID-19 pandemic on infrastructure investment, some of the big issues raised included:

- The role of the private sector in delivering this agenda in a post-COVID world
- Short term spending on combating COVID-19 affecting longer term infrastructure investment
- The extent to which new infrastructure investment projects should be prioritised over upgrading existing systems. For example investing in HS2 vs modernising and increasing capacity on existing lines, or driving for 5G rather than focusing on universal 4G and broadband infrastructure.

WIG members can listen to Vincent's presentation [here](#)

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'Economic Growth & Prosperity' Series

COVID-19 Sector Updates: Insurance

1 May, 2020

Expert Insight

We were joined by Frank Carson, UK Public Policy Director at Aviva to discuss the impact of COVID-19 on the insurance industry. He touched upon points including:



- The COVID-19 pandemic is shaping up to be the biggest insurance event ever due to the sheer range of impacts it has on every line of business and every asset invested in. Whilst normally claims often require months to resolve, the insurance industry is now having to respond very quickly to support the economy. Many businesses have been forced to completely and rapidly overhaul their business models to survive in the new environment
- This has enabled the acceleration of structural change that we were already seeing, with businesses undergoing transformations that would normally take months. Businesses must now continue to adapt to the new normal, keeping up the speed and velocity of change and building back better to prevent a long overhang in the economy.
- The main policy challenges for the industry are: handling large increases in travel insurance and business interruption claims, adjusting and improving insurance cover, and providing policies that are critical for the functioning of the economy such as trade credit insurance.
- Aviva is working together with the rest of the industry on a wide range of measures to provide customer support, for example providing fee breakdown cover for NHS workers and partnering with the Red Cross to preserve community reserve frontiers.
- Looking forward, the key challenges for the industry will be: to maintain resilience and provide support for staff, to consider what insurance should be doing to support recovery from the pandemic given that risk is so high that premiums won't be affordable, and building the industry back better by improving sustainability as well as trust and understanding between customers and insurers.

“The difficulty is, the expectations on the insurance industry are very high and the need is clearly there [for insurance cover]. The big question will be what the industry and the government can do together to meet that demand.”

Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- Assessing the impacts of coronavirus on investment portfolios, long-term pension pots, insurance eligibility and premiums.
- Opportunities for change such as transitioning to a low-carbon economy, investments in technology, changes to our ways of working and modifying what is offered to customers.
- Support for staff and bringing the workforce back together.
- The potential of pandemic cover backed by Government.
- The support being offered by regulators.

WIG members can listen to Franks's presentation [here](#)

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'Economic Growth & Prosperity' Series

COVID-19 Sector Updates: Retail

7 May, 2020

Expert Insight

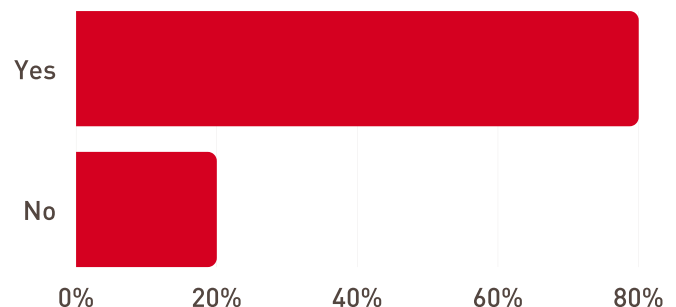
We were joined by Nick Lakin, Group Corporate Affairs Director at Kingfisher, and Helen Dickinson OBE, Chief Executive at the British Retail Consortium to discuss the impact of COVID-19 on the retail sector. They touched upon points including:

- Coronavirus has had an enormous impact on the retail industry from the onset of the crisis. Sales have fallen in some categories by 60-80% and many normally viable businesses are now struggling. Even online sales are not enough to compensate for the loss of sales that many businesses have seen.
- Many businesses have been forced to completely and rapidly overhaul their business models to survive in the new environment. This has enabled the acceleration of structural change that we were already seeing, with businesses undergoing transformations that would normally take months. Businesses must now continue to adapt to the new normal, keeping up the speed and velocity of change and building back better to prevent a long overhang in the economy.
- Cooperation with government is critical for the recovery of the retail industry. Whilst
- there have already been some remarkable interventions, dialogue between government and industry must continue on evolving existing schemes, thinking imaginatively about what else can be done to prevent mass business closures, and to provide clarity on the roadmap for lifting restrictions.



Cross-sector Opinion

Over 100 attendees from the breadth of our cross-sector membership listened in, we asked them: Will you return to shopping on the high street once the government lifts lockdown precautions?



Our members' questions

Our members raised some challenging questions to be answered as COVID-19 continues to impact the retail sector, some of the big issues raised included:

- The role of central and local government in aiding recovery and communicating with the industry.
- Forecasts for the viability and profitability of businesses within this new normal.
- The place of ethical behaviour between retailers and suppliers.

WIG members can listen to Nick and Helen's presentation [here](#)
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'Economic Growth & Prosperity' Series

The Economic Landscape after COVID-19

21 May, 2020

Expert Insight

We were joined by David Miles CBE, Professor of Financial Economics at Imperial College, to discuss the impact of coronavirus on the economy.

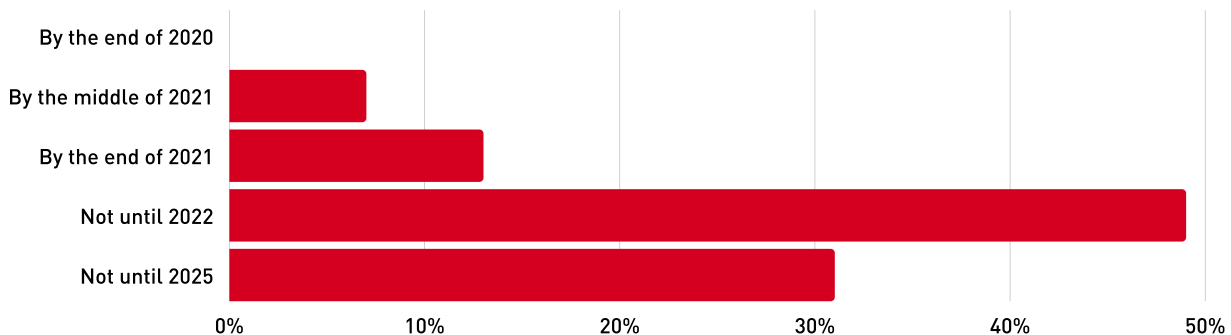
He touched upon points including:

- The economic cost of containment policies
- Forecasts for economic recovery in the UK and globally
- The impact on public finances compared to post-war periods, and methods for reducing the deficit
- The importance of collaboration between scientists and policy-makers, as well as basing decision-making on factors other than just "the science"



Cross-sector Opinion

We asked our cross-sector audience: "When do you expect the level of economic activity in the UK will return to the level seen before the virus (i.e. the 2019 Q4 value)?"



Our members' questions

Our members raised a number of questions particularly around devolution, and the impact of the COVID-19 pandemic on infrastructure investment, some of the big issues raised included:

- Likely strategies for economic recovery
- The impact of increased government borrowing and the methods for reducing debt
- How the additional economic stress may impact Brexit policy
- The economic implications of developments in the pandemic such as a vaccine or immunity
- The possibilities for international collaboration and the importance of this for the health of the UK economy

WIG members can listen to David's presentation [here](#)
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'Economic Growth & Prosperity' Series

Levelling up infrastructure - unlocking opportunities in living standards

26 May, 2020

Expert Insight

We were joined by Dave Innes, Head of Economics, at the Joseph Rowntree Foundation, as he discussed the importance of the levelling up agenda. In particular, Dave focused on the vital role that levelling up infrastructure has to play in reducing poverty and unlocking opportunities to improve living standards.

Some of the key areas he discussed were:

- The importance of the £4.2 billion urban transport fund outlined by government
- The links between productivity, transport and poverty
- The impact of COVID-19 on the levelling up agenda and future public spending



Presentation Spotlight

"After COVID-19, levelling up will still be the single biggest challenge we will face as a country"

Before housing costs poverty rate (%) by nation and region 2016-17 to 2018-19



Our members' questions

Our live cross-sector audience put questions to Dave, some of the big themes included:

- How to encourage people to stay or even relocate to areas which need investment, how to counter the London/South East draw
- The interface between benefits regimes and the required recommendations which were made
- What good skills investment had gone before and could be replicated
- What impact COVID-19 and a change to ways of working may have of the demand for infrastructure moving forward

WIG members can listen to Dave's presentation [here](#)
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'Economic Growth & Prosperity' Series

UK Freeport Policy

4 June, 2020

Expert Insight

We were joined by James Dinsdale, Head of Freeports Policy at HM Treasury to discuss the UK's proposed Freeport model, and associated socioeconomic benefits. James spoke within the context of the current consultation which is open until 13 July, and touched on points including:

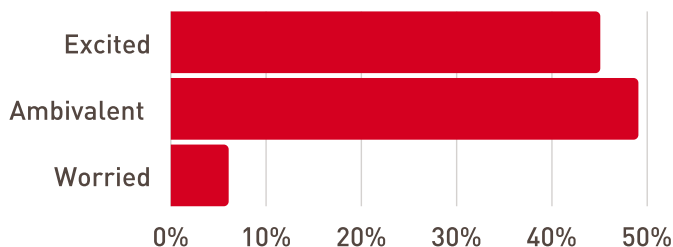
- The role of Freeports as 'growth-hubs' and focal points for collaboration; attracting trade and investment to a region.
- The proposed flexible customs model, which includes the possibility of extending Freeport conditions to adjacent sites such as business parks.
- Other levers being considered, such as tax relief to engender investment in local job creation, construction and R&D.
- Regulatory considerations to ensure a high level of safety and security is maintained within the Freeport environment.



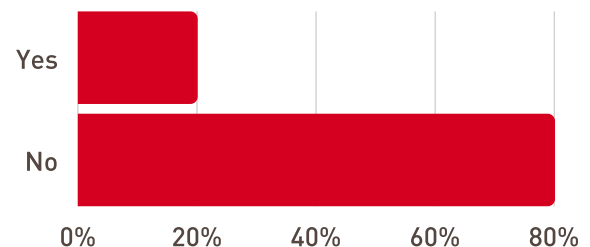
Cross-sector Opinion

Over 80 attendees from the breadth of our cross-sector membership listened in, we asked them:

How are you feeling about Freeports?



Has your opinion of the Freeports proposal changed in light of the Covid-19 pandemic?



Our members' questions

Our members across the private and public sectors raised some salient questions, both in terms of challenges from industry and highlighting the importance of joined up thinking across government departments. Some of the big issues raised included:

- The rationale behind choosing 10 sites across the UK for initial Freeport developments
- Concerns around displacement versus generating new business and investment
- The role of government and private sector in providing sufficient investment to support necessary local infrastructure, construction and skills provision
- The relationship between the Freeports model and the UK's wider trade strategy, including FTA negotiations currently underway

WIG members can listen to James' presentation [here](#)

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'Economic Growth & Prosperity' Series

The Future of Natural Capital

9 June 2020

Expert Insight

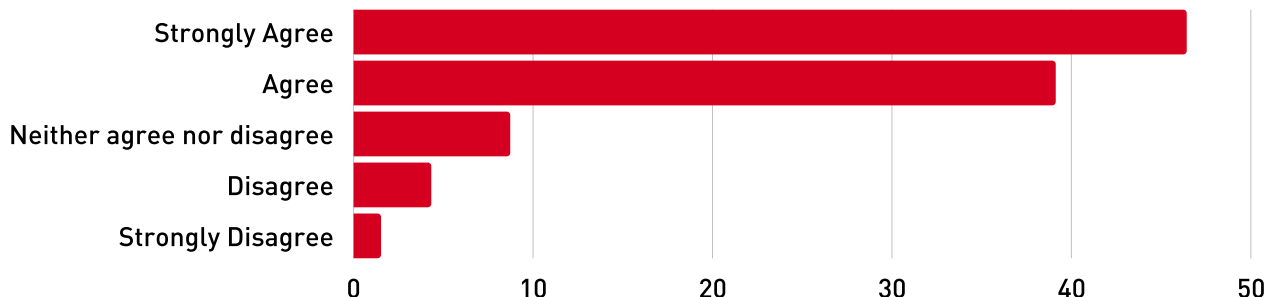
We were joined by Prof. Dieter Helm, Chairman of the Natural Capital Committee, for a webinar reflecting on the concept of Natural Capital Accounting. He touched on many points, including:



- The importance of a generational plan to improve the state of the natural environment for the next generation. The 25 Year Environment Plan, Office for Environmental Protection and the current Environment Bill are important steps towards achieving this.
- There is a risk that the concept of Natural Capital could be used by organisations to 'Greenwash' their activities. For Natural Capital Accounting to be successful it must learn the lesson from other environmental concepts such as sustainability.
- Natural Capital is an asset-based concept. It is not, as commonly thought, about habitats or ecosystem services (though these may determine the value of the 'asset'). This framework is crucial as it allows us to account for and place value on the natural environment in a way that has never happened before. Combined with appropriate legislation, this also creates new opportunities to hold those acting on the environment to be held accountable.

Cross-Sector Opinion

Over 100 attendees from the breadth of our cross-sector membership listened in, we asked them: to what extent do you agree or disagree with the statement, "Industry and business should be legally bound to environmental net-gain targets, to ensure meaningful levels of corporate scrutiny"?



Our members' questions

Our members asked some challenging questions. Some of the issues raised included:

- How to ensure that decision-making processes approach the environment holistically, and consider environmental gains and losses together
- Whether measures need to be taken to prevent organisations from 'offshoring' emissions or other environmentally damaging activities to keep a clean natural capital balance sheet
- Understanding how the cultural values of environmental assets are as robust and appropriately accounted for as other areas of natural capital

WIG members can listen to Dieter's presentation [here](#)
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'Economic Growth & Prosperity' Series

Understanding the Challenges Facing the
Treasury

10 June, 2020

Expert Insight

We were joined by Lord Nick Macpherson, Former Permanent Secretary for the Treasury, to discuss his perspectives on the challenges the Treasury is currently facing. Referencing his experience of leading the department through the 2008 financial crisis, he touched upon points including:

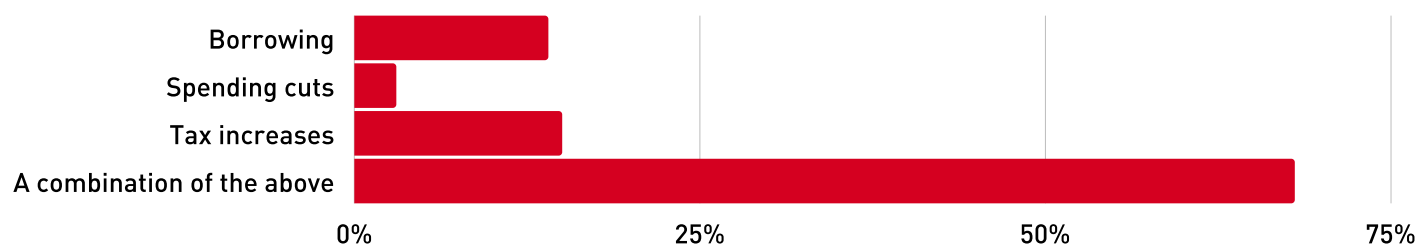


- The ultimate cost of the COVID-19 crisis for the Treasury will be somewhere between the 2008 financial crisis and a world war. Although we are past the worst of the crisis now, we have a long decade ahead.
- The timing of the crisis is unfortunate due to unfavourable conditions such as Brexit and the US-China trade war. In many ways we are also still dealing with the fallout of the 2008 global crisis since the economy has grown very slowly over the last 10 years.
- The challenge for the Treasury now is to get healthy economic activity going. However, drivers of growth such as skills and innovation are long-term, requiring persistence, focus on delivery, and cross-sector collaboration.
- Although borrowing can be affordable in the short term, we cannot run this deficit for very long. In the medium term, the Treasury needs a plan to get debt falling in relation to national income.
- There are difficult choices ahead, but spending on health and social care will increase, and taxes will ultimately rise.
- Leading the Treasury through the 2008 financial crisis highlighted the importance of: needing to shift and increase human resources quickly, relationship management, delegating to other senior leaders, understanding yourself, and relentless communication.

Cross-sector Opinion

Over 200 attendees from the breadth of our cross-sector membership listened in, we asked them:

How should the Treasury pay for the cost of COVID-19?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- The impact on cost of borrowing for individuals and businesses and further consequences for inequality
- The impact on the UK's geopolitics in terms of Brexit and our position relative to other states
- Long-term investment into the green economy and scientific research and development
- The impact on the levelling up agenda and the government's strategy for infrastructure
- Approaches to exiting the crisis such as Keynesian economics and the impact on our traditional fiscal conservatism
- Lessons learned and systematisation of future crisis responses in light of climate change

WIG members can listen to Nick's presentation [here](#)

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'Economic Growth & Prosperity' Series

Building a resilient and sustainable
global supply chain

18 June, 2020

Expert Insight

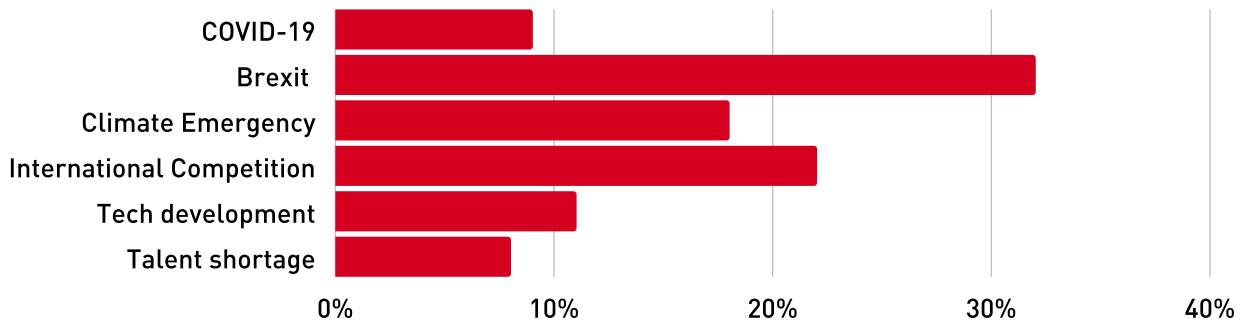
We were joined by Prof Ed Sweeney, Director of the Aston Logistics & Systems Institute, to discuss the contemporary challenges facing global supply chains, and how organisations can adapt to secure greater resilience and sustainability. During his presentation, Ed touched on points including:



- Digital technologies, when effectively deployed, enhance capabilities to manage and integrate increasingly complex supply networks. The challenge is in making sense of big data and transforming it into something usable such as predictive analytics.
- Leaving the transition period without a deal would pose significant risks to the 'just-in-time' supply chains upon which we all rely, which are dependent on frictionless trade.
- Global supply chain activities, in particular transportation, contribute substantially to Co2 and other greenhouse gas emissions - we need to seek greener logistics networks.
- Ed concluded that the 'new normal', under which global supply chains will operate post COVID-19 can be characterised as volatile, uncertain, complex and ambiguous.

Cross-sector Opinion

Over 100 WIG members from across the sectors tuned in live, we asked them: which of the following is the biggest challenge facing UK-centric supply chains?



Our members' questions

The attendees raised a number of important questions, with particular focus on government support to build supply chain resilience, and lessons learnt from responses to shifting demands and consumer behaviours during the COVID-19 pandemic. Some of the issues discussed included:

- Which disruptive technologies, such as blockchain / distributed ledger technologies, will most greatly impact or improve supply chains?
- What are the the biggest barriers to more environmentally sustainable / circular supply chains, should the government be encouraging this shift and could moving to 'shorter' more local chains be the answer?
- Where are there lessons to be learnt from international approaches to coping with the COVID-19 crisis, and will the focus on resilience remain, or will supply chain management move back to an efficiency-orientated approach?

WIG members can listen to Ed's presentation [here](#)

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'Economic Growth & Prosperity' Series

The Economic Landscape after COVID-19

25 June, 2020

Expert Insight

We were joined by Mark Gregory, Chief Economist at EY to as he discussed the impact that COVID-19 has had on the economy. Please find some of the discussion below:

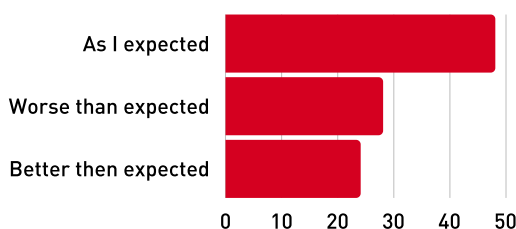


- The economic shock is unprecedented in many ways, including the scale (20% fall in GDP, Mar-Apr) and wide variation by sector, with the worst hit shrinking by 97%.
- Overall, consumers are better-off than expected with the furlough scheme protecting incomes. Data shows consumer spending falling faster than consumer incomes, suggesting people are saving more.
- Estimates show 40% of the workforce in receipt of government support, with 2.9m people unemployed, 8.9m registered on the furlough scheme, and 2.9m self-employed receiving support.
- Across the world there have been considerable behavioural changes that are expected to continue into the future, with consumers more likely to shop online, work from home, adopt a healthier work-life balance and diet, and reconfigure their spending and travel habits.
- Monetary policy is likely to remain supportive, with low interest rates, intervention from the BoE, and costs of low-cost government financing.
- In comparison to other European countries, operating at 80-90% of pre-lockdown levels, the UK is only at 60%, with the economy at the end of 2020 likely to be 8% smaller. On the current trajectory, a U-shaped recovery is most likely

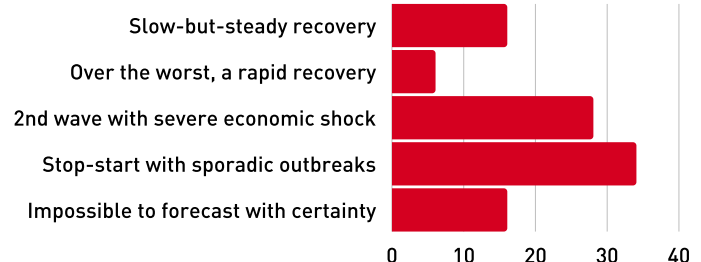
Cross-sector Opinion

Over 150 attendees from the breadth of our cross-sector membership listened in, we asked them:

How do you feel the economy has performed since lockdown began?



Looking forward, what is your view on economic recovery?



Our Members' Questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- The role of skills in attracting investors, and how this will feature in the UK's economic recovery
- The cumulative impact of COVID and Brexit, which each affect different parts of the economy
- The key differences between the COVID-19 crisis and the financial crisis of 2007-08

WIG members can listen to Mark's presentation [here](#)
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'Economic Growth & Prosperity' Series

COVID-19 Sector Updates: The impact on medium-sized businesses in the UK

1 July, 2020

Expert Insight

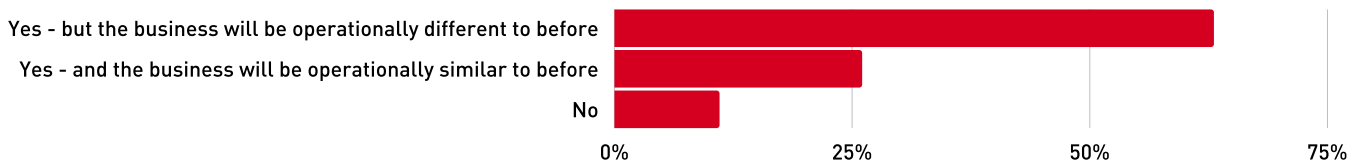
We were joined by Peter Hemington, National Head of M&A at BDO LLP and Lorne Vary, Chief Financial & Business Development Officer at Brompton Bicycle to discuss the impact of COVID-19 on medium-sized businesses. They touched upon points including:

- According to BDO's research, COVID-19 has hit MSBs hard, with many already reporting job losses and few having seen an increase in revenue. However, there is widespread business support for the government's schemes.
- Some industries will change dramatically as a result of COVID-19. The casual dining sector will experience large-scale restructuring, and recovery for the travel industry will likely take long. The articulation of the crisis through real estate into banks could also have a significant impact on the economy.
- Brompton Bicycle's supply chains have been heavily impacted, with many parts paralysed. Worst-case scenario planning and understanding the business' trigger points have been key for business continuity.
- Fortunately, investment into the cycling industry has brought growth and opportunities to Brompton. Nevertheless, COVID-19 has radically altered their business needs and led to permanent changes to the business, such as agile working.

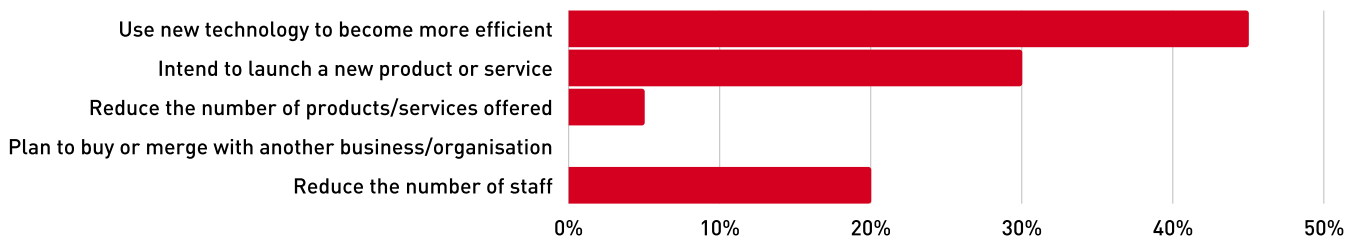


Cross-sector Opinion

Attendees from the breadth of our cross-sector membership listened in, we asked them: Do you think your business/organisation will fully recover from the impact of COVID-19?



What actions are you taking to rebuild your business/organisation?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- Forecasts for productivity and regional recovery from the crisis
- The impact of COVID-19 on Brexit stockpiles and the implications of a potential no-deal Brexit
- The state of government-backed loan schemes and potential changes to them
- The impact on supply chains and approaches for their management

WIG members can listen to Peter and Lorne's presentation [here](#)

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'Economic Growth & Prosperity' Series

Perspectives on the Economic Landscape after

COVID-19

8 July, 2020

Expert Insight

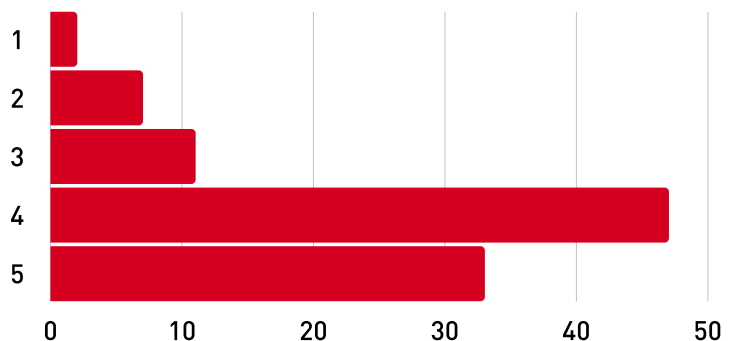
We were joined by Ann Pettifor, Political Economist, Author and Director of Policy Research in Macroeconomics (PRIME), to discuss the economic landscape after COVID-19. Covering the good news and the bad, Ann touched on many points:



- There has been some good news underneath the pandemic: air quality increased while emissions declined; Heathrow's expansion was overruled, representing the first time the Paris Agreement has been enforced by law; consumer saving has increased as individuals look to the future with caution; 9 million Brits are now cycling; and UK monetary and fiscal policy are working in tandem for the first time in 10 years.
- However, a deep, global recession looms, with commentators across the spectrum wary of the bounceback suggested by some. It is vital that governments continue to plan for a harsh economic terrain.
- Across the world there is mass unemployment, and global 'gluts' have led to huge stocks of certain resources sat unmoving - such as diamonds, cocoa, and oil, which famously gained a negative value as global demand vanished.
- While trade flow and labour stopped, money flows never ceased. This liquidity enabled those with assets to become richer out of the pandemic, with American billionaires gaining over \$430bn in wealth.
- As the pandemic hit globally, capital left poor countries, ill-equipped to deal with the crisis. This strengthened the USD, thus increasing the cost of dollar-denominated imports such as oil, pharmaceuticals, and food. Countries already at a disadvantage, unable to obtain dollars (or only at inflated rates) became far worse off.
- In this sense we are seeing a crisis of the international financial system, which not only benefits certain countries, but speculators and the asset-rich therein. What is needed now is a rebuilding of the financial architecture as we saw with FDR's New Deal - this time prioritising the environment and the disadvantaged.

Cross-sector Opinion

Over 120 attendees from the breadth of our cross-sector membership listened in, we asked them: On a scale of 1-5 (1 being not at all, 5 being extremely), how important do you think a transformation of the international financial architecture is to economic recovery around the world?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- Ensuring the environment and climate change remain central to a COVID-19 recovery
- Creating meaningful change within a financial system geared towards its architects
- The effects of the current crisis on the Euro and the current monetary system more broadly
- How COVID-19 differs to historical crises and whether we are better-equipped to tackle it

WIG members can listen to Ann's presentation [here](#)

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'Economic Growth & Prosperity' Series

Addressing Regional Productivity Throughout the COVID-19 Recovery

23 July, 2020

Expert Insight

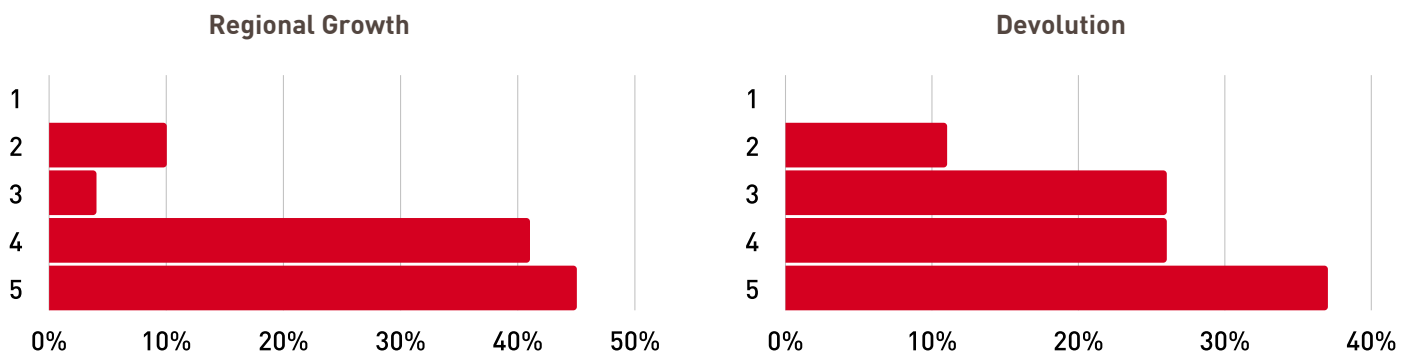
We were joined by Andrew Carter, CEO of the Centre for Cities, and Louise Sunderland, Director of Programmes at Be the Business, to discuss the impact of COVID-19 on productivity, and how to address the skills agenda as part of a recovery from the pandemic. Our speakers touched on many interesting points, including:

- The sectors hit hardest by the pandemic are those with low-productivity and high employment, such as retail, hospitality and construction. Recovery plans will need to factor in these sectors as we begin to restart the economy and think about growth.
- On the positive side, throughout the pandemic there has been a surge in leadership confidence, as big decisions were made at pace. We also saw a significant uplift in the use of digital technologies, with 3 years of innovation in 3 months.
- There is a popular misconception that cities syphon off productivity and talent from nearby towns, leading them to suffer. In fact, when cities struggle, nearby towns struggle. Conversely, when they do well, they have a 'pull-up effect' on nearby towns.
- As the Job Retention Scheme is reduced, a variable phase-out will be needed to account for geography, place, and regional disparity. Support now needs to shift from businesses to workers, with funds allocated for upskilling and retraining.



Cross-sector Opinion

Attendees from the breadth of our cross-sector membership listened in, we asked them: on a scale of 1-5 (1 being not at all, 5 being extremely), how important do you think devolution and regional growth are to the UK's recovery from COVID-19?



Our members' questions

Our members posed some challenging questions to be answered. The issues raised included:

- The best local structures to support devolution, and how these can withstand political cycles
- The potential for a green recovery, and whether this would involve a trade-off or is fundamental
- Whether greater devolution would impact the interdependencies of cities and nearby towns

WIG members can listen to the presentation [here](#)
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'Economic Growth & Prosperity' Series

The Outsourcing Playbook V2.0

30 July, 2020

Expert Insight

We were joined by Meryl Bushell, Crown Representative at the Cabinet Office, and Matthew Browne, Deputy Director of the Outsourcing Programme at the Cabinet Office, to discuss the launch of the second version of the Outsourcing Playbook. Our speakers touched on many interesting points, including:



- The original Outsourcing Playbook published in February 2019 provided new central government guidance on outsourcing. It identified four key opportunities for improvement: (1) setting projects up for success from the start, (2) improving resilience in markets and suppliers, (3) reforming capabilities, and (4) having resolution plans ready. 11 key policies were launched to provide a basis for successful outsourcing in the future.
- The Outsourcing Playbook is a living document, and thus the second version of the Playbook was launched to build upon the 11 original policies. This included: additional guidance on the challenges of insourcing and reframing of the 'Make or Buy' policy as Delivery Model assessments, increased focus on wider government commercial policy priorities including driving innovation and social value, a new



chapter on building and maintaining successful relationships, and guidance notes to provide deeper and richer information in support of the original 11 key policies.

- The Cabinet Office is continuing consistent implementation of the Outsourcing Playbook's policies across government using a 3-pronged approach. This involves delivering a suite of training across government departments covering all the policies set out in the Playbook, providing commercial experts for specific project support across government, and ensuring that compliance processes within the Cabinet Office also reflect the policies set out in the Playbook.
- Going forward, the Cabinet Office is looking to build upon the success of the Outsourcing Playbook by moving towards a 'sourcing playbook', which would apply beyond the typical outsourcing sector and possibly to the wider public sector, including local authorities and the NHS.

Our members' questions

Our members posed some challenging questions to be answered. The issues raised included:

- Lessons learnt about outsourcing during the COVID-19 pandemic
- The culture change required to move from procuring at the cheapest rate to ensuring the greatest value for all parties
- Supporting the levelling up agenda, and the link to the requirement of social value
- Ensuring correct contracts are used and addressing issues that arise due to not drafting specifications precisely enough
- Engagement with the private sector for development and implementation of the Playbook
- Mandatory compliance with the Playbook
- Considerations for supporting public managers running sourcing analysis

WIG members can listen to the presentation [here](#)

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'Economic Growth & Prosperity' Series

Establishing a Wellbeing Economy in Devolved
Scotland

3 August, 2020

Expert Insight

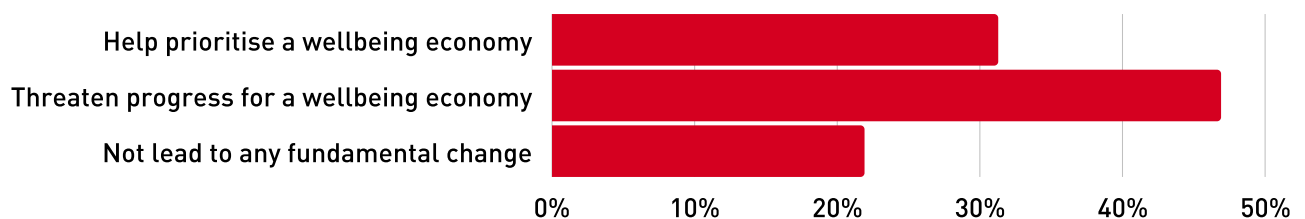
We were joined by Benny Higgins, Strategic Adviser to the First Minister, Scottish Government, to discuss the work of the Advisory Group on Economic Recovery in Scotland and the concept of a 'Wellbeing Economy'. Benny touched on many points, including:



- The COVID-19 crisis has been characterised by three themes: inequality, illustrated and accentuated by the crisis; an extended period of learning loss, with schools and the education sector out of action; and unemployment, especially as the furlough scheme begins to wind down to a close.
- Of the top 50% of earners, 90% can work from home, while of the bottom 50%, only 10% can do so. This means one of the greatest disparities has been between the health choices available to those with means versus those without.
- Paired with the challenges Scotland was already facing, such as low-productivity, a narrow export-base, and the climate crisis, the resulting need has been for a robust economic system that prioritises wellbeing, both socially and environmentally, and resilience, in regards to sustainable jobs and education.
- Bearing in mind that 80% of Scottish jobs are in the private sector, and the majority of businesses employ fewer than 15 people, it becomes clearer still, that the economic makeup of Scotland must account for small firms and those in traditionally precarious work. Collaboration between business and government will also be essential.
- The Scottish National Investment Bank (SNIB), which would make immediate contributions to small businesses, while also looking to fund much longer-term projects, has been central to the Scottish Government's approach, which has considered financial, natural, human, and social capital in conjunction with one another.

Cross-sector Opinion

Attendees from the breadth of our cross-sector membership listened in. We asked them whether they think economic recovery from COVID-19 will:



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- How Scottish independence would affect plans for a wellbeing economy
- Whether inward investment into new Scottish industries will be part of the solution
- The role that the third sector plays in establishing a wellbeing economy
- What lessons can be learned from other countries adopting an economic model based on wellbeing

WIG members can listen to Benny's presentation [here](#)

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'Economic Growth & Prosperity' Series

The Future of the Workplace

19 August, 2020

Expert Insight

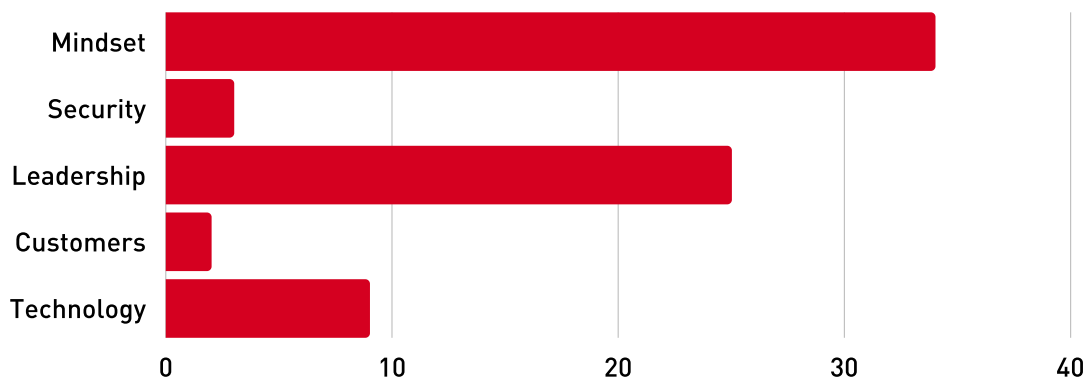
We were joined by Leslie Benson, Global Head of People & Change at FTI Consulting and Robin Colman, Senior Vice President, Strategy and Transformation at Software AG to discuss the impact that COVID-19 has had on the traditional workplace and what effect this will have in shaping the future of work. They touched upon points including:

- The workplace should not include only the physical environment, there also needs to be an adaptation of the wider environment, this includes: organisational culture, capability development, leadership, your customers and market, and the employee experience.
- Simplifying and prioritising technologies in this new working environment is key in maintaining engagement and collaboration.
- Retaining flexibility is something that is very important, along with taking into consideration people's living and work situations- there needs to be an empathetic side of what you are asking your team to do.
- Ultimately, there is a mindset and behavioural shift that will be required as we shift towards a longer-term change in the way that we work.



Cross-sector Opinion

Over 100 attendees from the breadth of our cross-sector membership listened in, we asked them: What do you think will be the greatest barrier in moving to adopting new ways of working?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- Ways for organisations to facilitate "water cooler conversations" to help maintain wider organisational interaction
- How to ensure that managers can still operate and lead effectively without the opportunity for physical supervision
- Potential alternatives, such as more local office hubs as a substitute to help reduce commuting
- Managing "burn out" for leaders that feel that they need to stay in touch with their team members remotely
- The effect of this on people's living situations, especially younger people

WIG members can listen to Leslie's and Robin's presentation [here](#)

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'Economic Growth & Prosperity' Series

Enhancing UK trade with Australia, New Zealand & the CPTPP

26 August, 2020

Expert Insight

We were delighted to be joined by Vivien Life, Director for Asia and Australasia Negotiations at the DIT, for a webinar discussing the UK's future bilateral and multilateral trading relationships in the dynamic Asia-Pacific region as we enter a new era of independent trade policy.

In her presentation Vivien touched on topics including:

- The agreements being negotiated with Australia and New Zealand offer an opportunity to set high standards for other FTAs, due to alignment on crucial issues such as support for SMEs to enter the export market, a focus on sustainability and clean growth, and commitment to women's economic empowerment.
- The DIT estimates that these FTAs could boost UK exports to Australia by £900m, and by £100m for New Zealand.
- The UK government confirmed its ambition to join the CPTPP in June 2020, but has not moved forward to formally applying. At that stage, a set of negotiating objectives would be published following the model already established.



Presentation Spotlight

Vivien highlighted a number of crucial statistics around the UK's current trade dynamics with the region:

- We are Australia's 5th largest trading partner and second largest outside the Asia-Pacific
- UK businesses traded £18.1bn worth of goods and services with Australia in 2019
- Medicinal & pharmaceutical products (£556m) and cars (£543m) were the top goods exports to Australia
- The UK was New Zealand's 6th largest trade partner in 2019; two-way trade was £2.9bn, with the UK exporting £1.7bn.
- The UK did more than £110bn worth of trade in 2019 with the 11 countries in the CPTPP
- It represents one of the world's largest free trade areas covering 13% of global GDP in 2018

Our members' questions

80+ attendees from WIG's cross-sector membership tuned in live, and posed a number of important questions. Some of the key issues raised included:

- How we can work to 'future-proof' FTAs currently under negotiation, building in flexibility for emerging areas of economic potential for the UK, such as the space industry.
- The opportunities to build on shared interests and ambitions around digital trade; both in terms of exporting digital goods and services, and utilising digital means of trade.
- How the DIT continues to engage with business and other stakeholders, through channels such as sector specific trade advisory groups (TAGs).

WIG members can listen to Vivien's presentation [here](#)
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'Economic Growth & Prosperity' Series

The Economic Landscape throughout the COVID-

19 recovery period

3 September, 2020

Expert Insight

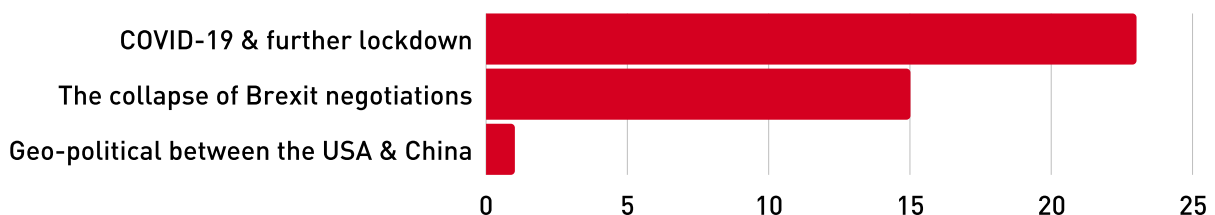
We were joined by Yael Selfin, Chief Economist at KPMG to discuss the impact that COVID-19 has already had on our economy and what further consequences we can expect. Yael touched on many points, including:



- Travel agency, air transport, hotels, rail, transport, bars and restaurants & other personal services have been the hardest hit sectors during this period.
- Some of these industries have been helped by people taking holidays within the UK or "staycations" however, this is expected to decline as we enter September and most people return to work.
- In terms of COVID-19's impact on regional output, the West Midlands (-10.6%), the East Midlands (-10%) and the East of England (-10%) have been the hardest hit in terms of % change of Gross Value Added.
- The GDP of next year will ultimately depend on when a vaccine is made available. KPMG have completed economic analysis on both a vaccine being made available in January and then later in April.
- The UK has likely seen the lowest dip in GDP as productivity continues to pick up again, however, it is likely that unemployment will peak in the coming months due to the end of the furlough scheme.
- Unemployment could rise to over 10% and it could take up to 5 years for unemployment levels to go back to pre-COVID levels, which were low at 3.9%. This will consequently have a knock-on effect on both consumer confidence and spending.
- Inflation is likely to remain under the Bank of England's target of 2%, with interest rates also looking likely to remain at a low level.

Cross-sector Opinion

Attendees from the breadth of our cross-sector membership listened in. We asked them: What do you think poses the biggest risk to the economy in the next six months?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- What impacts COVID-19 may have on people's spending habits, specifically in terms of the UK retail industry and the UK property market.
- The effect on savings, both by generation and employment sector .
- Potential post-COVID boosts for regional centres, like Leeds, Manchester and Newcastle.
- What areas could be targeted when thinking about a green recovery post-pandemic.

WIG members can listen to Yael's presentation [here](#)

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'Economic Growth & Prosperity' Series

COVID-19 Sector Updates: Automotive**8 September, 2020**

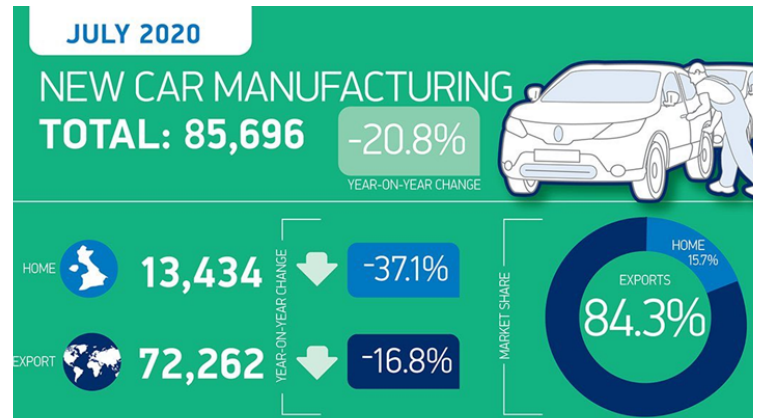
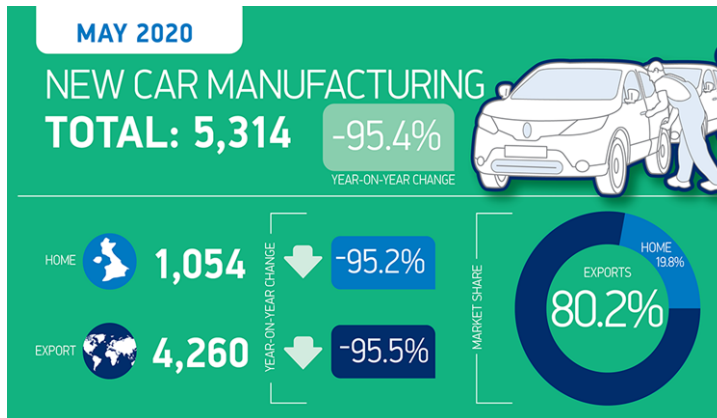
Expert Insight

We were joined by Ian Howells, Senior Vice President at Honda Motor Europe to discuss the impact that COVID-19 has had on Honda and the Automotive sector. Ian touched on many points, including:



- The crisis impacted the automotive sector on a global scale. The earliest impacts disrupted supply chains before the outbreak reached Europe– the recovery of the UK is linked to global conditions.
- The combination of a focus on employee safety, lockdown measures, lower consumer demand and economic uncertainty have resulted in a sharp decrease in UK car sales and manufacturing.
- Manufacturing in May 2020 decreased to -95.4% year on year. By July 2020, year on year, this was down to -20.8%. Plants are now up and running, with social distancing introduced. Capacity has been reduced slightly but overall, Honda are now manufacturing at target levels.
- A recovery has started as dealerships reopened and social distancing measures were clarified, but there remains ongoing uncertainty. The UK Government has a significant role to play in ensuring that the UK automotive sector remains productive and competitive, while meeting decarbonisation ambitions.

Presentation Spotlight



Our members' questions

Attendees from WIG's cross-sector membership tuned in live, and posed a number of important questions. Some of the key issues raised included:

- The pre-COVID-19 expectations for growth across Honda's range of vehicle types.
- Learnings around transitioning the workforce back to the workplace.
- If COVID-19 has given the sector a unique opportunity to approach the 2035 Electric Vehicle Ambition from a new starting point or if the priority recouping losses.
- Possible public and private sector collaboration to help accelerate Electric Vehicles to ICE baseline more efficiently and effectively.
- Honda's involvement with the innovation consortia and how they collaborate effectively with other organisations.

WIG members can listen to Ian's presentation [here](#)

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