

City Expects Bold Vision in Reeves's Mansion House Speech

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As Chancellor of the Exchequer, Rachel Reeves prepares to deliver her Mansion House address, leaders in the financial sector are urging her to present a clear and ambitious plan for restoring growth, competitiveness, and confidence in the United Kingdom's economic future. With mounting global competition and domestic fiscal pressures, this speech is being closely watched by investors and institutions alike.

Alastair King, Lord Mayor of the City of London, stressed that the United Kingdom's financial and professional services sector, employing 2.5 million people and generating a £92 billion

trade surplus, must remain a pillar of national prosperity. While London retains its title as the world's leading financial centre, other global hubs like Singapore and New York are rapidly advancing through innovation and policy reform. The City of London Corporation, which represents the capital's business interests, has made it clear that maintaining this lead requires a serious regulatory overhaul and long-term strategic investment.

At the heart of the recommendations is the need for smarter regulation. A recent report titled *Regulating for Growth*, co-authored by the City Corporation and international law firm A&O Shearman, lays out steps to reduce regulatory friction, enhance global coherence, and incentivise responsible risk-taking. These reforms, the report argues, are essential to unlocking capital and attracting international investors at a time when public sector spending is already stretched to its limits.

Pension reform also ranks high on the City's agenda. With only 30 per cent of the population projected to reach a moderate standard of living in retirement, the current system is underperforming. The Mansion House Accord, first announced in July 2023 and reaffirmed this year, involves 17 major defined contribution pension providers representing around two-thirds of the market agreeing to invest at least 5 per cent of their default funds into private markets by 2030. Half of that will be directed into United Kingdom-based opportunities. With around £400 billion in assets under management by the participating schemes, the commitment is expected to redirect a significant portion of retirement savings towards domestic growth.

However, capital flows alone won't ensure success. King recently opened Mansion House to 21 high-growth British companies, connecting them with over 250 investors. These scale-up showcases are designed to spotlight firms seeking between £5 million and £30 million in funding, providing a pipeline of investment-ready businesses that can contribute to broader economic revitalisation.

The Office for Budget Responsibility (OBR), the United Kingdom's independent fiscal watchdog, has issued warnings about unsustainable public debt and limited capacity to respond to future economic shocks. With that in mind, King and others argue that the private sector, particularly financial services, which accounted for 12 per cent of national economic output in 2023, must be placed front and centre in any credible growth plan.

The City of London Corporation, which governs the Square Mile, has made its position clear: it stands ready to partner with government but expects serious and urgent reforms. At a time

when the economy demands bold leadership, vague rhetoric and short-term fixes will no longer suffice. What the financial sector needs is a forward-looking, pro-investment strategy, one that empowers enterprise, cuts red tape, and makes the United Kingdom a magnet for global capital once again.