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Insights for investors from the Queen's Speech

The 2021 Queen's Speech has revealed a full legislative agenda for the Government over the next year. In contrast with the years at the height of the Brexit process – which were, understandably, fallow in terms of new domestic policy and legislation – the Government, still in its relative infancy and with post-COVID recovery encompassing an urgent set of political and economic priorities, has a lot it is setting out to achieve. 31 new bills and plenty more in terms of policy development will provide plenty of risks and opportunities for investors and management teams to consider.

Many of the announcements made in the speech will have sounded familiar: a number of the higher-profile legislative priorities have already been in train for some months as the Government has consulted and published proposals on what it is seeking to achieve. A number of significant items such as the Environment Bill have been carried over, having been left unresolved at the end of the last parliamentary session. Planned legislation in areas such as post-16 education, planning and public procurement reflect green and white papers that have been published over recent months that have already given an outline of how the Government will proceed in each.

They are also key parts of the 'levelling up' agenda, and it is clear from the Queen's Speech that the absolute focus of this is now on improving vocational skills training and infrastructure across the country. While some critics of the Government will insist that 'levelling up' remains a slogan, the Queen's Speech has arguably given the concept of levelling up much greater form than it has had in the 18 months since the Conservatives' election victory. Those with an interest in skills training, housing, transport and construction will have plenty more to consider from government policy this year.

The focus on these aspects of levelling up also means the exclusion of lower priority or more contentious issues. The lack of detail around adult social care will have come as a surprise to current and prospective investors in the sector but reflects the difficulty of taking decisive action in this area, even with the significant parliamentary majority enjoyed by the Government. Recent interventions by Labour have made clear that the opposition will not accept the merging of social care into the NHS, thought to be one of the favoured options of the Government and which, in theory, could have been included in the planned legislation on structural reform of the health service. Likely internal opposition to a range of social care proposals within the Conservatives means that the Government has to be confident of securing at least

some degree of cross-party support for reform. The chances of tangible proposals for reform still appear slim for now.

Arguably most notable by its absence was an Employment Bill. Originally included in the last Queen's Speech in 2019, the Bill has not materialised in the time since and did not feature at all in this year's statement. This is not to say that there will be no new developments in this area over the next year – we are still awaiting formal government responses to consultations on creating a single enforcement body for employment rights and the right for workers to request more predictable hours, which may emerge later in the year – but legislation now seems likely to become a priority for later in the parliament. Investors and management teams reliant on flexible workforces will need to keep a close eye on how this complex area continues to develop ahead of legislative plans being finalised.

Even without these two high-profile absences, this looks likely to be the busiest year for domestic policy and legislation from the Government since before the EU referendum. Investors and management teams will need to make sure they are equipped to spot the risks and opportunities that will arise from this.

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