



**Managing
Partners'
Forum**

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Professional Services Sector Confidence Rebounds

Industry leaders see strong prospects for 2023 but challenges remain

The unique Professional Services Sector Trends Tracker, organised by industry body the Managing Partners' Forum since 2011, shows professional services leaders' confidence in future activity levels, new workflow and headcount growth has rebounded following a slump in mid to late 2022.

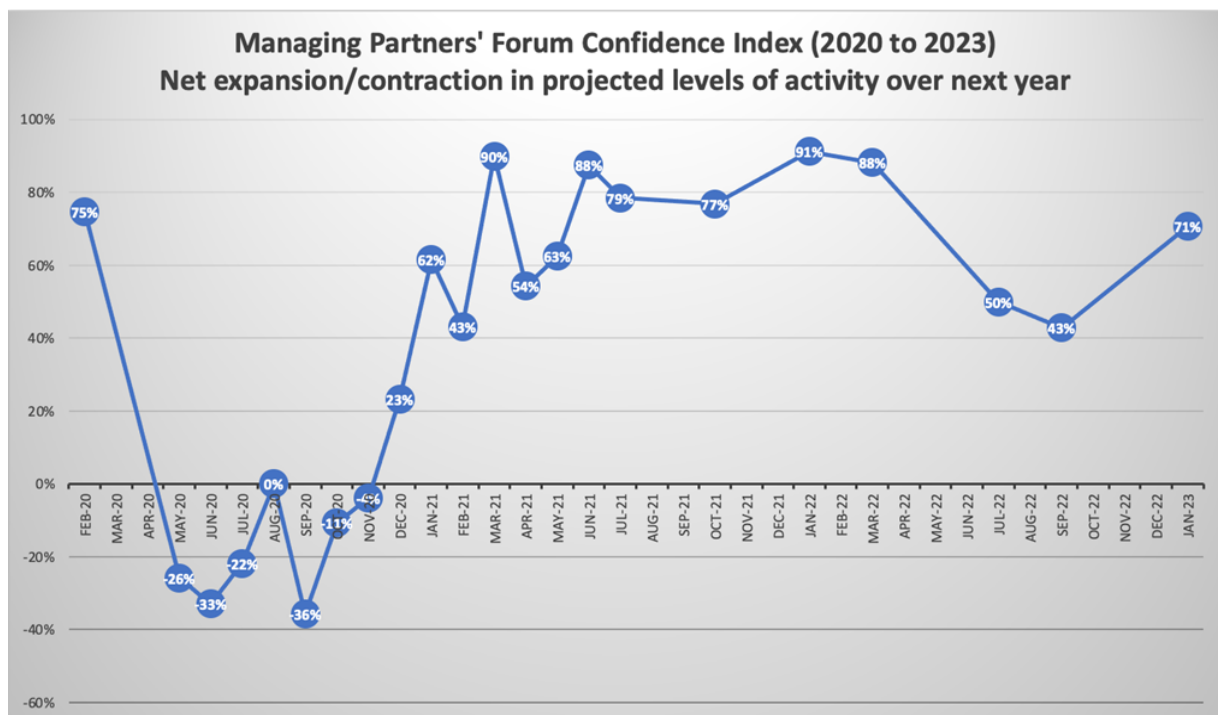
Completed each calendar quarter by a formal research panel of 75 leaders of mainly mid-sized professional services firms across the UK, the Forum's confidence index is calculated from the net of those projecting expansion with those projecting contraction, with those projecting no change excluded. Were the numbers projecting expansion to be equal to those projecting contraction, the index would be zero per cent. The actual index, which has been in positive territory since the announcement of an effective Covid vaccine in late 2020, reached 91 per cent in January 2022. It then fell to 45 per cent in October 2022 before jumping to 71 per cent in January 2023. The attached chart shows 22 datapoints from February 2020 (pre Covid) to date.

As the largest business sector of the UK economy according to the Office for National Statistics, professional services encompass accountancy, legal, engineering, actuarial, management consultancy, loss adjusting, patent attorney, marketing, research, technology, recruitment and property firms such as surveyors, project managers and architects. Tracker findings, which include anonymous messages to Government from industry leaders, are provided to the Department for Business, Energy & Industrial Strategy (BEIS) in order to inform policy formulation.

[Richard Chaplin, Founder & Chief Executive of the Managing Partners' Forum](#) said, "The expertise of professional advisers will play a vital role in reviving growth in the UK economy through providing not only compliance services but also commercial advice that supports innovation and growth and helps clients fulfil their strategic goals – for example in relation to environmental and social sustainability. Whilst sector confidence has markedly picked up in the last quarter, Government must not rest on its laurels in policy making to support this vital sector. With firms increasingly under pressure from resource constraints, the time is right for Government to address skills shortages through prioritising education in digital and interpersonal skills; clarifying pathways into the sector; and encouraging collaboration between sector firms, education providers, and local government."

[Stephen Parkinson, Senior Partner at London law firm Kingsley Napley LLP](#), said, "Professional services are a bellwether of the UK economy. Although demand is increasing again across many parts of the professional services landscape, especially in litigation, insolvency and employment for example, firms must be able to demonstrate value and cost-effective services when meeting clients' needs given the current economic backdrop. Another common theme for professional service firm leaders is ensuring that core values around quality and diversity are maintained in the battle for talent."

[Natasha Frangos, Managing Partner at accountancy firm haysmacintyre](#), comments: "Whilst professional services will continue to play its part in the UK's growth story by helping clients adapt to the economic environment and to position themselves for the future, we need the Government to support us and our clients in areas like encouraging businesses to invest in innovation, providing clarity on the EU Retained Law bill, delivering on promised post-Brexit trade deals, resolving strikes that impact the world of commerce and maintaining investment in education at all levels. The professional services sector has the potential to keep growing in 2023 but could stall if the macro picture continues to be one of uncertainty."



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Media queries

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Notes to Editors

- The Sector Trends Tracker has been conducted since July 2011 on a quarterly/six-monthly basis - monthly for most of 2020 and 2021 during the pandemic.

- The latest tracker was completed by tracker research panel members from 29 December 2022 to 13 January 2023.
- Research panel members are firmwide leaders and senior members of the management team in positions such as Chairman, Senior Partner, CEO, Managing Partner, COO, and CFO.
- The core confidence question was "Do you expect to expand or contract the level of activity at your firm over the next year?" Other questions in the tracker cover: new workflow and headcount growth; topics discussed at partner meetings; management activities to achieve goals; business priorities and constraints on growth; office space needs; and the number of days per week to be worked from home by the firm's people. Respondents can also provide messages to Government, which are then shared anonymously by the Forum.

About the Managing Partners' Forum – The Forum, formed in 1995, supports the growth, productivity and prosperity of professional services through bringing together sector leaders to share ideas on strategic leadership and management excellence, and acting as their independent voice to policymakers.

About Kingsley Napley - Kingsley Napley LLP is a leading UK based law firm providing expertise for our clients' business and private lives, when it matters most. We advise in the following areas: employment law, private client advisory, public law, criminal defence litigation, corporate and commercial, dispute resolution, family law, medical negligence & personal injury, regulatory, real estate, construction and immigration. The firm is proud to have been judged The Lawyer's "Independent Law firm of the Year" in July 2022. It has 77 partners and recently surpassed the 500-fee earner mark for the first time. For more information about Kingsley Napley, please visit www.kingsleynapley.co.uk.

About haysmacintyre - haysmacintyre is an award winning top 25 firm of chartered accountants and tax advisors, with 36 partners and over 400 staff. We provide advice to entrepreneurs, fast-growing and owner-managed businesses, charities and not for profit organisations across the UK and internationally. We are among only a few firms which bridge the gap between the larger firms which do everything but may lack the personal touch, and smaller firms which may be able to provide only a narrow range of services. For more information, please visit www.haysmacintyre.com.