



Action⁴skills

The Business and Finance Sector





Action⁴skills

Targeting the sectors
vital to Hertfordshire's
economy



Executive Summary

Key Statistics

	Business and finance	All Herts
Business base		
No. of business establishments	17,600	49,200
Micro-businesses (<10 employees)	16,300	42,600
% <i>business base</i>	93%	87%
% <i>employment</i>	30%	22%
Workforce		
Total workforce	124,100	549,500
Employees	106,200	487,600
Self-employed as % workforce	14%	13%
Part-time employment	30%	34%
Female employment	52%	50%
Workforce aged under 25	12%	14%
Workforce aged 55 or over	13%	16%
Workforce dynamics		
Employment change 1998-2002	-23,400	-
% <i>Employment change</i>	- 18%	-2%
Forecast change 2004-2013	+23,600	-
% <i>Forecast change</i>	+19%	+9%
Labour turnover p.a. (approx)	15%	N.A
% workforce in FT education 1yr ago	2%	3%
Workforce skills		
Workforce with no qualifications	7,400	-
	6%	11%
Low skilled workforce (≤ level 1)	22,300	-
	18%	25%
High skilled workforce (level 4+)	49,600	-
	40%	26%
Workforce training in previous 13 wks	36,000	-
	29%	27%
Skill needs		
Employers wt. hard-to-fill vacancies	2,400	-
% <i>business base</i>	4%	8%
Employers wt. skill gaps in workforce	12,100	-
% <i>business base</i>	16%	23%

Note: For definitions and sources see main report

Key messages

- Business and finance is a key employment sector in Hertfordshire accounting for 14% of the workforce in the county (and 22% of employees).
- Taking into account forecast employment growth and the pattern of workers entering the sector from full-time education, around 4–5,000 new skilled entrants are required each year to 2013.
- The workforce is characterised by diversity, with employment spread across a wide range of occupations and industry sub-sectors, which in turn have very different workforce profiles in terms of age and skill level.

- While overall skills levels in business and financial services are high in comparison with many other sectors, it is important to remember that two thirds (64%) of the sector's workforce do not have skills at this level.
- However, in some sub-sectors and occupations, learning development needs are quite well covered by professional and representative bodies.
- Identifying and addressing the needs of low and intermediate skilled workers who are not directly covered by existing professional development schemes will be key to ensuring added value from workforce development initiatives.
- Managers and senior officials account for 21% of the sector's workforce (26,400 people), with professionals and associate professional and technical staff each accounting for around one fifth (20% and 17% respectively).
- A significant proportion of these staff will have line management responsibilities. Whilst many workers in these occupations are high skilled, they are likely to have technical rather than management qualifications.
- Recruitment difficulties and skill gaps are less common than in all industries but are more likely to lead to difficulties meeting required quality standards and/or customer service objectives.
- Research conducted by the Financial Services Skills Council, on behalf of EEDA, found a lack of in-depth understanding of the impact of sector-specific and generic regulatory requirements, which could affect organisational performance and training needs.

Conclusions and recommendations

Workforce development plans for the business and financial services sector will need to recognise the diversity of the workforce in the sector and develop a multi-strand approach. This paper outlines three workforce development priorities for the sector and makes a number of suggestions for employers and stakeholders to consider:

- 1. Identifying and addressing the skills and learning needs of those with low and intermediate skills.**
 - Audit or map staff/professional development provision and representation arrangements at a sub-sector and occupational level in order to identify where LSC and partners can make most difference.
 - Investigate provision for those working in the estate agency sector.
- 2. Addressing management skills needs**
 - Embed managerial skills training into learning programmes for the sector.
 - Ensure that managerial skills provision is available in sufficiently flexible and bite-sized provision to increase uptake from the workforce in work.
- 3. Keeping knowledge and skills up-to-date.**
 - Review the provision of learning focused on legislative change and new technologies in the occupations and sub-sectors identified in the audit.
 - Ensure that training providers are up-to-date with legislative and technological developments.

1.0 Introduction

This paper is one of a series that outlines the workforce dynamics and skills and training issues in key sectors in the Hertfordshire economy.

The series sets out:

- The demographics of the workforce in each sector
- The skills and qualifications profile of the workforce
- The likely demand for and supply of new skills and workers, now and in the future
- Local business drivers.

Where possible local data has been used for the analysis. However, where local data was unavailable, inferences have been made from regional and national data to provide a best estimate of local workforce dynamics. Unless otherwise indicated all figures are for Hertfordshire.

For the purposes of this paper, the business and financial services sector includes a range of financial activities including financial intermediation and insurance and pension funding as well as real estate activities, renting of machinery and equipment, computing, research and development and other business activities (including labour recruitment, accounting and book-keeping, investigation and security activities and industrial cleaning).

For a full explanation of these sub-sectors please see Annex 1.



Key drivers of change

The business and financial services sector is a central component of the 'knowledge economy', where businesses exploit their knowledge of products, processes and markets to create competitive advantage, relying on innovation rather than simple price competition. By providing key services to the wider economy, the sector has the potential to exploit knowledge not only to develop its own offer but also to make a significant impact on the products and service offers of other sectors. To some this may suggest an image of high skilled scientists and professionals working away in laboratories and ultra modern offices in order to design and test products and services we may never have imagined.

Whilst the sector does include many economic activities that are clearly 'knowledge-based', and some are dominated by high skilled professionals and scientists (e.g. R&D sub-sector), this image is a gross oversimplification. Not only are some organisations in the business and financial services sector clearly engaged in fiercely competitive low-cost markets, many have seen information technology (IT), market consolidation, and organisational restructuring combine to produce a much clearer division of labour and provide significant employment opportunities for low and intermediate skilled labour.

For example, in the financial services sub-sector, IT has enabled banks and building societies to share information across branch networks and restructure the industry around specialised functions and more narrowly focused teams and offices. Over the last 20 years, the sub-sector has moved away from a system of almost 'independent' branch banking, to a network of inter-dependent specialist offices for customer facing teams (call centres and high street branches), processing transactions (processing centres) or managing risk (in local cluster, regional and national head offices). These specialist offices require a range of staff at different skill levels and the relative importance of high, intermediate and low skilled workers in the sub-sector is constantly evolving. Indeed, recent articles in the Financial Times suggest that after a period of retrenchment, the banking industry is expanding the size of its branch-based customer service workforce¹.

The internet has also enabled a number of business and

¹ FT June 2004, 'Companies UK: Opening time at the trendy new bank'. Jane Croft.

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financial services firms to broaden their access to market without a local branch presence and/or to offer services direct to businesses and consumers without a broker or intermediary. For others, the internet is just one route to market amongst many. Indeed, some businesses in the sector continue to rely to a much greater extent on a local presence and well established skill sets (e.g. estate agents, book-keepers and recruitment consultants). The impact of the internet on the sector, however, may not yet have been fully realised, particularly as security issues (or perceived issues) are resolved.

The combined effect of the internet and corporate restructuring in some sub-sectors is that an increasing proportion of the business and finance workforce is less tied into local branch networks than it once was. Hertfordshire does benefit from proximity to London, and has a relatively high level of employment in the sector. However, the county is clearly not a primary location for head office functions in the same way as the City of London and the M4 corridor, and it does not have the same cost advantages as some other regions in the UK (or overseas). There is therefore a risk that, despite overall employment growth in the sector nationally, the sector's employment in Hertfordshire may be less stable (see Section 4).

Regulation and government policy is also a significant driver of change in the sector. A consistent Government message in recent years has been the need for individuals to invest for their own future security above and beyond the National Insurance scheme. However, scandals around the miss-selling of pensions, endowments and with-profit policies and investments have undermined this message. The Government has therefore developed a keen interest in ensuring that the financial services sub-sector gives reliable advice and has put in place an extensive regulatory framework, including the formation of the Financial Services Authority, Mortgage Code Compliance Board and the Occupational Pensions Regulation Association.

Workforce development priorities

It is important to note that the skill profile of the workforce varies significantly between business and finance sub-sectors (see Section 3) and that workforce development initiatives for Hertfordshire will need to develop multiple strands in order to recognise this.

Despite the relative importance of high level skills to the business

and financial services sector, 64% of the sector's workforce in Hertfordshire is qualified to Level 3 or below and 6% have no qualifications at all (see Section 3). Indeed around a quarter of the workforce (around 17,000 people) in the other business activities sub-sector (which includes labour recruitment and accounting/book-keeping and accounts for 57% of employment in business and finance) do not have a Level 2 qualification.

A key workforce development priority for the sector is therefore to ensure that the skills and learning needs of low and intermediate skilled workers are being met. However, workforce development initiatives will also need to take account of the different career paths within occupations and sub-sectors and the relative importance of professional bodies in developing workforce skills. In some sub-sectors and occupations there are well developed professional bodies that co-ordinate and promote vocational training (e.g. accounting and the Institute of Chartered Accountants in England and Wales), whilst in others the low and intermediate skilled may not be well represented (e.g. labour recruitment and real estate sub-sectors).

Managers and senior officials and professionals who may have line management responsibilities account for a relatively high proportion of the sector's workforce. Whilst these workers are often high skilled, many will have technical rather than managerial qualifications. Developing managerial skills will be a priority, particularly for managers and owner managers in SMEs.

The changing nature of the sector, especially changes in regulation, means that even highly skilled staff will need to keep their skills up-to-date. This also includes ensuring that skills evolve to keep pace with changes in technology.

This paper therefore suggests that the most pressing workforce development needs over the next 3–5 years for the Hertfordshire business and financial services sector will be:

1. Addressing the skills needs of those in low and intermediate skilled occupations with relatively poor representation by professional bodies.
2. Ensuring the management skill needs of the sector are being met.
3. Keeping knowledge and skills up-to-date particularly with regards to consumer regulation.

These will be revisited in the Conclusions and Recommendations Section on page 17.

Figure 1.1

Business and Financial Services Sector – SWOT Analysis

Strengths

- High concentration of employment in Hertfordshire
- A relatively highly skilled workforce
- Good co-ordination and promotion of training and qualifications by professional and representative bodies in parts of the sector

Weaknesses

- A diverse sector covering a wide range of activities with divergent skill needs
- Competition for skilled workers from London and Cambridge

Opportunities

- Strong employment growth forecast
- Increased use of e-commerce
- Increased interest in private investment
- Increased numbers of young people continuing in full time education
- Longer working lives as retirement age is put off until 70

Threats

- Impact of a possible future economic downturn
- Increased Internet use removing the need for certain intermediary business or financial services
- Employment in the sector is becoming increasingly 'footloose' and employers may choose to move to cheaper locations



2.0 Business and Finance in the Hertfordshire economy

This section looks at the relative importance of the business and financial services sector in terms of employment in Hertfordshire and its 10 districts and outlines the nature of the sector's employees.

Key messages

- Business and finance is a key employment sector in Hertfordshire.
- There are around 17,600 business and finance establishments in Hertfordshire, employing around 106,200 people and 17,900 self-employed individuals in the sector, equal to 14% of the total workforce.
- Around 93% of business and finance establishments (around 16,300) are micro-businesses, which account for around 30% of employment in the sector (32,000 people).
- Nevertheless the business and financial services sector has a greater proportion of employment in large establishments with more than 200 employees than is found for all industries (30% or 32,000 workers compared with 22% of the workforce in all industries).
- 57% of business and finance staff or approximately 60,500 people work in the other business activities sub-sector (which includes accounting, book-keeping and recruitment agencies).

The business and financial services sector is a key industry for Hertfordshire. In terms of employment, the Annual Business Inquiry (ABI) suggests that there are around 17,555 business and finance establishments in Hertfordshire, employing approximately 106,000 people, around 22% of employment in Hertfordshire. This is above the proportion employed in the sector nationally (18%).

It should be noted that the ABI (and many other labour market information data sources) do not include self-employed people. The Labour Force Survey (LFS), which does include self-employed people, suggests that there are around 17,870 self-employed people working in business and finance within Hertfordshire (14% of the total workforce).

Figure 2.1 shows that business and finance generally accounts for between 15 and 25% of total employment in each of the ten local districts.

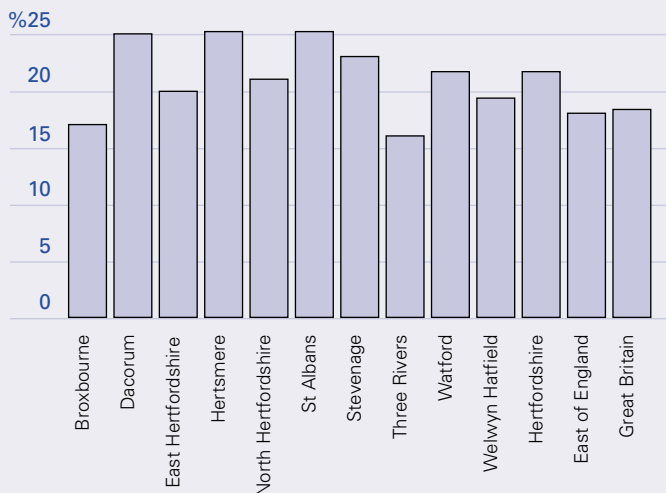
Figure 2.2 shows that Dacorum has the highest number of business and finance employees but St Albans has the highest number of establishments in the sector. Together with Hertsmeire, St Albans has the highest concentration of business and finance employment with a Location Quotient² (LQ) of 1.16. Three Rivers has the lowest concentration of employment in the sector with an LQ of only 0.74. This district also has the lowest number of business and finance employees.

Around 93% (16,300) of business and finance establishments in Hertfordshire are 'micro-businesses' employing between 1 and 10 people. This is higher than the figure for all industries in Hertfordshire (87%). Despite the high proportion of small

² Location Quotients indicate the relative strength of the sector in the district. An LQ of more than 1 signifies that a district has a higher concentration of employment in the sector relative to Hertfordshire as a whole. An LQ of less than 1 indicates that a district has a lower concentration than Hertfordshire as a whole.

Figure 2.1

Business and finance employment as a proportion of total employment – Hertfordshire districts



Source: ONS Annual Business Inquiry, 2002
Note: Figures do not include the self-employed

Figure 2.2

Business and finance employees and business establishments in Hertfordshire districts

District	Establishment	Employees	% of sector	LQ
Broxbourne	801	5,436	5	0.78
Dacorum	2,269	15,763	15	1.13
East Herts	2,229	11,277	11	0.91
Hertsmeire	1,569	11,608	11	1.16
North Herts	2,262	10,473	10	0.97
St Albans	3,808	13,905	13	1.16
Stevenage	749	9,279	9	1.06
Three Rivers	1,263	4,274	4	0.74
Watford	1,303	12,562	12	1.00
Welwyn Hatfield	1,302	11,651	11	0.88
Total	17,555	106,228	100	

Source: ONS Annual Business Inquiry, 2002
Note: Figures do not include the self-employed

businesses, large businesses with more than 200 employees still account for 30% of business and finance employment (around 31,800 employees).

Nevertheless, the proportion of the business and finance workforce in micro-businesses (30% or 32,000 employees) is significantly higher than the proportion of workers in this type of establishment in the economy as a whole (22%).

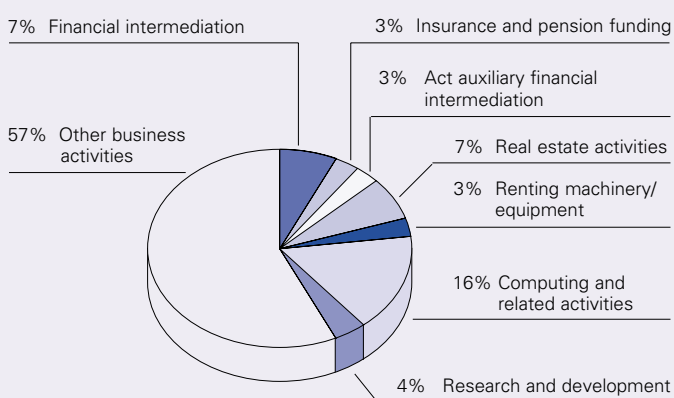
The Standard Industrial Classification (SIC) used in national statistics divides business and finance into eight sub-sectors; financial intermediation, insurance and pension funding, auxiliary financial intermediation, real estate activities, renting of machinery/equipment, computing and related activities, research and development, and other business activities. See Annex 1 for a more detailed description of these sub-sectors.

Figure 2.3 shows that 57% of business and finance staff or approximately 60,500 people work in the other business activities sub-sector (which includes accounting, book-keeping and recruitment agencies) and a further 16% (around 17,000) work in computing and related activities. Financial intermediation accounts for 7% of employment in the sector and real estate activities account for another 7%. The distribution of employment by sub-sector is not significantly different from that in the East of England as a whole.

Looking at the sector in more detail, Figure 2.4 shows that around 19% of employees in the sector (around 19,700) work in labour recruitment and a similar number work in accounting/book-keeping activities. Each of these activities accounts for around 32% of the other business activities sub-sector. Software consultancy and supply (10%, around 10,300 employees), industrial cleaning and miscellaneous business activities (both around 9%) also account for a significant proportion of business and finance employment in the county.

Figure 2.3

Employment by sub-sector – Hertfordshire



Source: ONS Annual Business Inquiry, 2002

Note: Figures do not include the self-employed

Figure 2.4

Employees by minor sub-sector – Hertfordshire

Minor sub-sector	% of business and finance employees	Est number of jobs	Est number of establishments
Labour recruitment etc	18.5	19,700	700
Accounting/book-keeping activities etc	18.5	19,700	4,300
Software consultancy and supply	9.7	10,300	3,200
Industrial cleaning	9.3	9,900	700
Miscellaneous business activities nec	8.7	9,200	2,300
Monetary intermediation	5.7	6,100	300
Research: natural sciences/engineering	4.0	4,200	80
Other computer related activities	3.2	3,400	1,300
Activities auxiliary to insurance/pension funding	2.7	2,900	200
Letting of own property	2.7	2,900	700
Real estate activities	2.5	2,700	700
Investigation and security activities	1.7	1,800	100
Real estate activities with own property	1.7	1,800	800
Advertising	1.6	1,700	400
Other financial intermediation	1.6	1,700	200
Renting of other machinery and equipment	1.4	1,500	200
Hardware consultancy	1.4	1,500	600
Maintenance/repair office machinery etc	1.1	1,200	100
Data processing	1.0	1,100	100

Source: ONS Annual Business Inquiry, 2002.

Note: Figures do not include the self-employed. Figures do not total 100% as minor sub-sectors with less than 1% of employment are not included.

3.0 The Current Workforce

This section profiles the current workforce and typical employment opportunities in the sector. It also looks at the current supply and demand for skills in the business and financial services sector

Key messages

- The business and financial services sector is characterised by diversity. Employment is spread across a wide range of occupations and industry sub-sectors have very different workforce profiles in terms of age and skill level.
- However, in overall terms, high skilled occupational groups are relatively important to the sector. Managers and senior officials account for 21% of the sector's workforce (26,400 people), professionals account for 20% and associate professional and technical staff account for 17%.
- More than two thirds (69%) of the research and development sub-sector are high skilled but this sub-sector accounts for just 4% of business and finance employment in Hertfordshire.
- However, 64% of workers in the sector overall are low or intermediate skilled and 6% have no qualifications.
- Skills gaps are less common than in all industries but are more likely to lead to difficulties meeting required quality standards and/or meeting customer service objectives.
- The incidence of skills gaps among managers and senior officials, professionals and associate professionals is less than might be expected from the proportion of employment in these occupations.

Figure 3.2

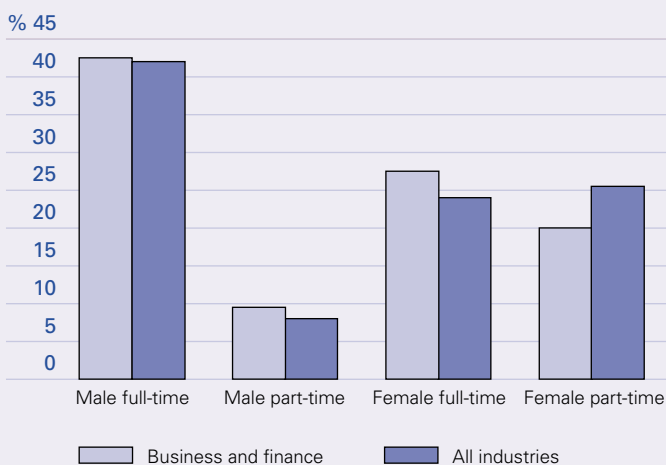
Gender and employment status of business and finance workers – district areas

	Male full-time (%)	Male part-time (%)	Female full-time (%)	Female part-time (%)
Broxbourne	33	12	28	28
Dacorum	48	9	29	15
East Herts	42	12	26	20
Hertsmere	41	8	30	21
North Herts	45	9	27	20
St Albans	43	9	30	18
Stevenage	45	9	28	18
Three Rivers	42	9	22	27
Watford	47	8	29	16
Welwyn Hatfield	34	15	23	27

Source: ONS Annual Business Inquiry, 2002
Note: Figures do not include the self-employed

Figure 3.1

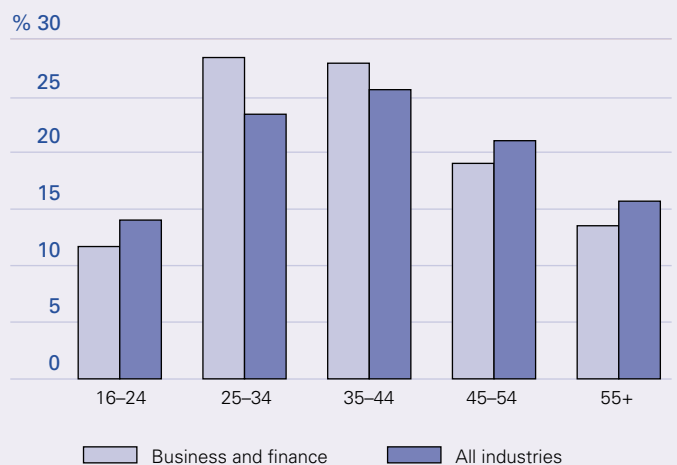
Gender and employment status



Source: ONS Annual Business Inquiry, 2002
Note: Figures do not include the self-employed

Figure 3.3

Age breakdown of the sector – Hertfordshire



Source: ONS Labour Force Survey, Spring 2003. Inferred data
Note: Figures include the self-employed

Demographics of the sector

The breakdown of employment in the business and financial services sector by gender and employment status is similar to that found for all industries. Around 52% of employees in the sector (around 55,200) are female, compared with 50% in all industries.

Around 31,500 employees in the Hertfordshire business and financial services sector work part time (30%), slightly below the proportion found for all industries (34%).

Employment by gender and employment status in the business and financial services sector varies slightly between the different districts in Hertfordshire. In Broxbourne and Welwyn and Hatfield, employment is distributed more evenly between the gender/employment status groups than in the other districts.

At the national level, ethnic minority communities account for around 14% of employment in the sector, compared with 15% for all industries. Census 2001 data reveals that there is a smaller proportion of people from ethnic minority backgrounds in Hertfordshire than in England and Wales as a whole. We estimate that there are around 11,200 people from ethnic minority backgrounds working in the business and financial services sector in Hertfordshire (around 9% of the business and finance workforce).

Figure 3.3 suggests that the business and financial services sector has a slightly younger age profile than the economy as a whole. The sector has a greater proportion of workers aged 25–34 than is found for all industries (56% compared with 49%) and a lower proportion aged over 45. Currently around 49,400 people (40% of the workforce) are below the age of 35.

However, the age profile of the workforce varies significantly between different business and finance sub-sectors. Insurance and pension funding has a particularly young workforce as shown in Figure 3.4, with over half the workforce (55%) aged under 35, nearly 20% aged between 16 and 24 and only around 6% aged over 55. The proportion of workers aged 55 or over is particularly high in the real estate activities sub-sector (22%).

It is likely that the low proportion of 16–24 year olds in the research and development and computer activities sub-sectors reflects the high skill profiles of these sub-sectors, with young people staying in full time education for longer before joining the workforce.

Occupational analysis

Figure 3.5 shows the broad occupational breakdown of the sector and illustrates the importance of more highly skilled occupational groups in the sector. Business and finance has a greater proportion of managers and senior officials, professionals, associate professional and technical staff and administrative and secretarial staff than is found for all industries.

Managers and senior officials make up 21% of the sector's workforce (26,100 people), compared with 17% in all industries. The business and financial services sector employs around 24,600 professionals, equal to 20% of the total workforce. This is significantly more than the proportion found for all industries (12%).

However it is important to note that administrative and secretarial occupations (which are predominantly intermediate skilled) are also prominent in the sector as a whole and account for 21% of employment, compared with 14% in all industries.

Figure 3.4

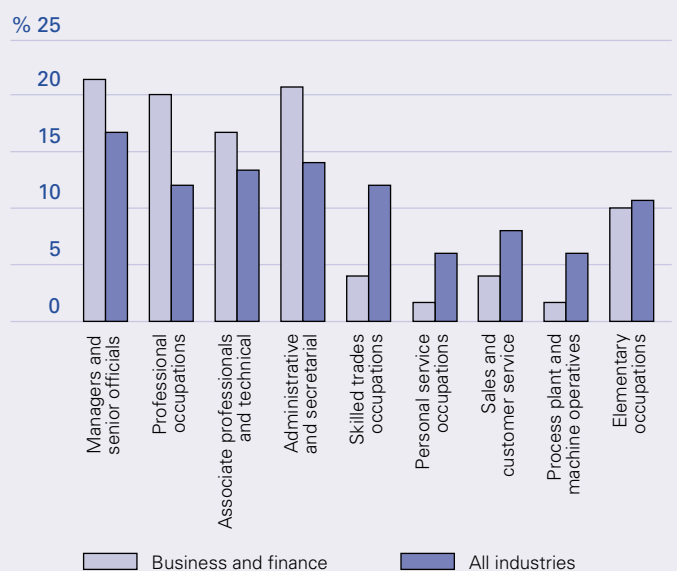
Age breakdown by sub-sector – Hertfordshire

Age band	% financial intermediation	% insurance and pension	% auxiliary services	% real estate activities	% renting of machinery	% computer and related activities	% research and development	% other business activities
16–24	15.3	19.9	11.7	10.4	22.3	8.9	4.8	11.5
25–34	32.6	35.2	26.8	16.2	23.6	35.1	30.3	26.9
35–44	34.2	22.6	31.7	36.7	21.0	34.4	21.0	24.8
45–54	13.7	16.7	17.8	14.3	17.8	17.2	28.2	20.5
55+	4.2	5.7	12.0	22.4	15.3	4.4	15.7	16.3

Source: ONS Labour Force Survey Spring 2003. Inferred data.
Note: Figures include the self-employed.

Figure 3.5

Broad occupational breakdown – Hertfordshire



Source: ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Figures include the self-employed

Figure 3.6**Employment in specialist occupations – business and finance**

Code	Occupation	% of sector's employment	Estimated jobs in Herts
2131	IT strategy and planning professionals	3.6	4,500
4123	Counter clerks	3.2	4,000
3534	Finance and investment analysts and advisors	2.8	3,500
2411	Solicitors, lawyers, judges and coroners	2.7	3,400
1151	Financial institution managers	2.2	2,700
9241	Security guards	2.0	2,500
4132	Pensions and insurance clerks	1.9	2,400
4212	Legal secretaries	1.7	2,100
1231	Property, housing and land managers	1.5	1,900
3562	Personnel and industrial relations officers	1.5	1,900
3532	Brokers	1.3	1,600
3520	Legal associate professionals	1.2	1,500
–	Other sector specific occupations	4.2	5,200
–	Total sector specific	29.8	37,200

Source: ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Figures include the self-employed

Figure 3.7**Employment in other significant occupations – business and finance**

Code	Occupation	% of sector's employment	Estimated jobs in Herts
4122	Accounts wages clerks, book-keeper	5.5	6,800
9233	Cleaners, domestics	4.7	5,800
1136	ICT managers	4.4	5,500
4150	General office assistants or clerks	4.3	5,300
2132	Software professionals	4.0	5,000
1132	Marketing and sales managers	3.1	3,800
4215	Personal assistants and other secretaries	3.0	3,700
1131	Financial managers and chartered secretaries	2.2	2,700
2421	Chartered and certified accountants	1.7	2,100
2423	Management consultants, actuaries, economists and statisticians	1.7	2,100
1239	Managers and proprietors in other services	1.5	1,900
7129	Sales related occupations	1.4	1,700
1152	Office Managers	1.3	1,600
5245	Computer engineer, installation and maintenance	1.3	1,600
7212	Customer care occupations	1.2	1,500
3131	IT Operations technicians	1.1	1,400
–	All other occupations	26.4	32,700
–	Total non-sector specific	68.8	85,200

Source: ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Total estimated jobs may not sum to total employment due to rounding.
Figures include the self-employed

Figure 3.8**Skill levels – broad analysis – Hertfordshire**

Source: ONS Labour Force Survey, Spring 2003. Inferred data
Note: Figures include the self-employed

Figure 3.6 shows that around 30% of employment in the sector is in "sector specific" occupations (approximately 37,200 jobs). These are occupations where over two thirds of employment is in the sector. The concentration of workers in these occupations in the business and financial services sector would suggest that sector-based initiatives would be most appropriate to develop the skills of these workers.

No single occupation accounts for a large proportion of the business and finance workforce. The largest specialist occupation is IT strategy and planning professionals, which employs 4,500 people (4%). Other important specialist occupations include counter clerks; finance and investment analysts and advisors; and solicitors, lawyers, coroners and judges. These occupations account for around 3% of employment each and between them employ around 10,900 people.

Figure 3.7 shows the occupations which employ significant numbers of people in business and finance but which are not specific to this sector. Cross-sector initiatives to support workforce development may be more appropriate for these occupations.

Accounts wages clerks and book-keepers are the largest occupational group in the sector and account for 6% of employment (6,800 jobs). Around 41% of all individuals employed in this occupation in Hertfordshire work in the business and financial services sector.

Skills and qualification issues

The analysis of skills in this paper uses qualifications as a proxy measure for skill level. Whilst this is not ideal, qualifications are the best measure available. Three broad skill levels are used:

Low skill (NVQ 1 or less including those with no qualifications). Common skills requirements for these jobs at this level include basic literacy, numeracy and IT skills and a range of generic skills.

Intermediate skill (NVQ 2-3). Skill requirements in these occupations are often vocational or technical in nature. They may also require higher level generic skills including analytical and problem solving abilities.

High skill (NVQ 4+). These skills are important in managerial and professional and associate professional roles. They are sometimes technical in nature but usually require high level analytical, communication and people management skills.

The Hertfordshire LSC annual plan 2004-05 highlights that overall the working population of Hertfordshire have the highest skill levels within the East of England.

Figure 3.8 shows the importance of high level skills in the business and financial services sector, with 36% of the sector's workforce (44,700 people) possessing skills at this level compared with 26% in all industries. Low level skills are less common than in all industries. Around 18% of business and finance workers are low skilled (22,300) compared with 25% in all industries.

Nevertheless, 64% of the sector's workforce have low or intermediate skills and around 6% (7,400 people) have no qualifications. The proportion of workforce with no qualifications gives an indication of the likely extent of basic skills issues within the sector.

However, there is an enormous degree of variation in the skill profile of the workforce between business and finance sub-sectors (see Figure 3.9). The research and development sub-sector has a particularly large proportion of high skilled workers. Around 69% of the research and development workforce has high level skills (around 4,300 people) and only 8% are low skilled (around 500 people).

Skills shortages and gaps

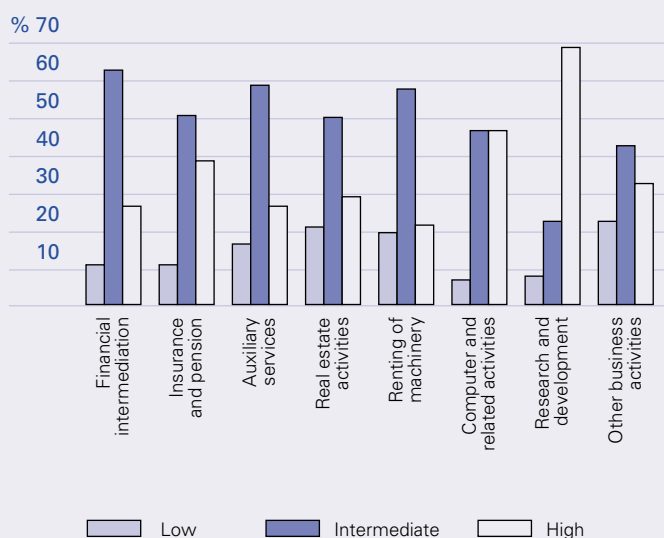
The National Employer Skills Survey (NESS) offers some insight into the sectors skills shortages (a lack of suitably skilled people in the labour market) and skills gaps (skills deficiencies in the existing workforce). It is important to note that the NESS does not include the self-employed or businesses with only one employee.

Skills shortages – recruitment difficulties

Figure 3.10 show that vacancies and recruitment difficulties are less commonly reported by business and finance employers in the East of England than by employers in all industries in the region. The proportion of employers in the business and

Figure 3.9

Skills levels in sub-sectors



Source: ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Figures include the self-employed

Figure 3.10

Recruitment difficulties and skill shortages



Source: LSC National Employer Skills Survey, 2003. Inferred data.
Note: Figures do not include the self-employed or businesses with only one employee

financial services sector reporting vacancies, hard-to-fill vacancies and skill shortage vacancies is broadly in line with the proportion of employers in the sector nationally reporting these problems.

Vacancies are reported by 14% of business and finance employers in the East of England (equivalent to 2,500 employers in Hertfordshire), hard-to-fill vacancies by 4% (700 employers) and skill shortage vacancies by 2% (400).

Skills gaps

The NESS also suggests that business and finance employers in the East of England report significant skill gaps in their existing workforce. However, reported skills gaps were slightly less common in business and finance than in the regional economy as a whole. Around 20% or 3,500 business and finance employers report skills gaps compared with 23% in all industries in the region.

The 'Key Sector Research' report for financial and business services, published by EEDA, suggests that there are increasing skills gaps in the sector, particularly in banking and insurance services, mainly due to recent moves into internet activities which require new skills.

Figure 3.11 shows that within the region, the consequences of skills gaps in the sector differ slightly from those experienced in all industries. Business and finance employers are more likely to report that skills gaps cause difficulties meeting required quality standards (46% compared with 39%) or difficulties meeting customer service objectives (44% compared with 41%).

Figure 3.12 shows the profile of skills gaps across the four largest occupational groups in the business and financial services sector compared with the proportion of the workforce employed in each occupation.

The proportion of skill gaps in the sector that relate to each of the occupational groups listed is less than we might expect

from the proportion of the workforce employed for most of the groups. For example, associate professionals account for 18% of employment in the sector but only 8% of the skills gaps reported.

The exception to this is administrative and secretarial occupations. Around 24% of the business and finance workforce is employed in roles of this type and this is in line with the proportion of skills gaps reported that relate to this occupational group (23%). This suggests that skills gaps may be more of an issue among administrative and secretarial occupations than among the other three groups.

When asked about the skills that were lacking among managers who are not fully proficient in their role, business and finance employers were most likely to identify general management skills (cited by 62% of employers with skills gaps for this occupation) and team working skills (54%) as the areas most in need of improvement. Technical and practical skills formed the most common gap among professionals (70%).

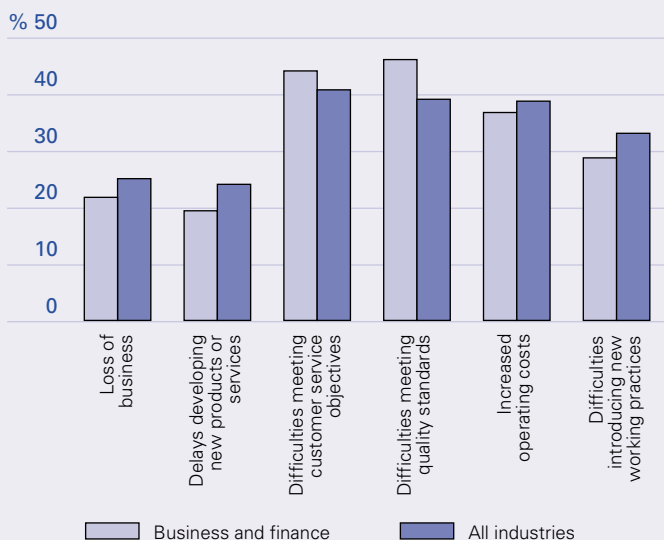
Both associate professionals and administrative and clerical staff were most likely to lack problem solving skills (80% and 64% respectively).

While the results shown in Figure 3.12 suggest that skills gaps among managers and professionals are less of an issue in the sector than might be expected, the Skills Task Force Research Paper³ into professional services suggests that those in consultancy businesses need entrepreneurial as well as professional skills. They need the ability to get business as well as the ability to do business. Consultants in particular need to be able to sell themselves and to run their own business.

³ Skills issues in Other Business Services – Professional services: Skills Task Force Research Paper 16, 2001

Figure 3.11

Consequences of skills gaps – East of England



Source: LSC National Employer Skills Survey, 2003. Inferred data.
Note: Figures do not include the self-employed or businesses with only one employee

Figure 3.12

Profile of skills gaps by key occupational groups –

	Skilled trades	Manager/senior officials	Professionals	Admin/secretarial
% of workforce with skills gaps in occupation	12%	11%	8%	23%
% of workforce in occupation	21%	17%	18%	24%

Source: LSC National Employer Skills Survey, 2003 and ONS Labour Force Survey, 2003.

Note: Figures do not include the self-employed or businesses with only one employee.

This section looks at the changing nature of employment in the business and financial services sector, the sector's training activity and the implications for learning provision.

Key messages

- The business and financial services sector experienced a decline in employment of 18% (around 23,400 jobs) between 1998 and 2002 but an increase of 19% is forecast between 2004 and 2010.
- The greatest increase is forecast to be in the employment of professionals (18% or 4,500 jobs) and managers and senior officials (growth of 15%).
- Business and finance employers are more likely to arrange training for staff than employers in all industries (63% compared with 57%) but less likely to arrange training leading to a formal qualification (38% compared with 44%).

Employment in the business and financial services sector in Hertfordshire was at a higher level in 1998 than in 2002, with an overall decline of 18% (23,400 employees) during this period. However, this overall trend masks relative stability in the sector between 1999 and 2001, as shown in Figure 4.1.

Figure 4.2 shows that employment in all business and finance sub-sectors declined in Hertfordshire between 1998 and 2002 but the level of decline varied. Employment in real estate activities remained relatively stable over the period but other business activities experienced a decline of 65%, equal to 19,400 jobs.

Within other business services, the decline was particularly marked in labour recruitment, which experienced a decrease in employment of 52% (20,700 jobs). This could suggest relocations of some major employers, however it could be an error in the official statistics and therefore should be regarded as an outlier.

Other significant declines were felt in industrial cleaning (a reduction of 5,500 jobs, 37%) and technical testing and analysis (600 jobs, 65%). However, some elements of the sub-sector did experience an increase in employment including accounting and book-keeping activities (increase of 5,300 jobs, 39%) and miscellaneous business activities (increase of 1,700 jobs, 23%).

Figure 4.1

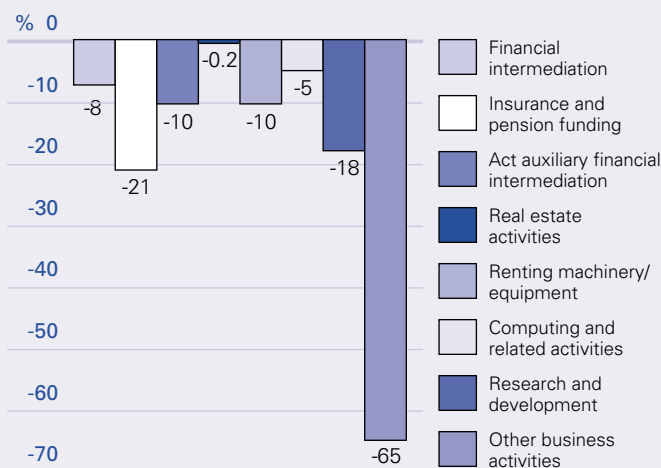
Annual employment change 1998–2002 – Hertfordshire

	1998	1999	2000	2001	2002
Employment	129,611	115,987	118,709	118,825	106,228
% change from previous year	-	-10.5%	+2.3%	+0.1%	-10.6%

Source: ONS Annual Business Inquiry 1998, 2002
 Note: Figures do not include the self-employed

Figure 4.2

Employment change 1998–2002 by sub-sector – Hertfordshire



Source: ONS Annual Business Inquiry 1998, 2002
 Note: Figures do not include the self-employed

VAT registrations and de-registrations

VAT registrations and de-registrations also give an indication of sector growth and decline. Figure 4.3 shows VAT registrations and de-registrations as a percentage of business stocks at the end of the year.

The data in Figure 4.3 has been gathered from NOMIS. The statistics only allow for analysis of 'finance' and not the whole sector. Therefore, the following statistics can only provide a broad idea of what is happening in the business and financial services sector overall.

Registrations within the finance sector are lower than for all industries in Hertfordshire and de-registrations are significantly higher (14% compared with 10%). It is likely that this reflects the contraction of the sector over recent years. VAT registrations are equal to only 9% of business stocks compared with 14% for de-registrations. This suggests that the net stock of businesses declined between 2001 and 2002.

However, it should be noted that VAT registrations and de-registrations provide only an indication of what is going on in the sector. As well as businesses opening or closing down, the measures also include firms moving above or below the threshold for payment of VAT, currently £58,000 p.a. They do not take account of businesses below the VAT threshold, so very small businesses are not included.

Projected employment change

The Experian Business Strategies forecasting model suggests that between 2004 and 2013 business and finance employment in Hertfordshire is expected to increase by around 19%. Based on ABI data this equates to around 23,600 jobs. Figure 4.4 shows that the business and financial services sector is expected to grow at a faster rate than all industries, where growth of 9% is forecast. This would represent a significant reversal of recent total employment change patterns.

Employment forecasts are also positive for the other finance and business services sub-sector⁴.

As can be seen in Figure 4.5, employment growth is forecast in most occupations within the business and financial services sector. The largest increase is expected to be in employment of professionals (growth of 18% or 4,500 jobs), followed by managers and senior officials (growth of 15% or around 4,000 jobs).

The only decline forecast is for personal service occupations, where a decrease in employment of 5%, or around 100 jobs, is expected.

Employment flows

While projections suggest that new business and finance jobs will be created in Hertfordshire, the majority of annual demand for staff in any sector is to address natural turnover in the labour market, where people leave their current job through retirement, sickness and job changes, for example. Around 15% of the business and finance workforce changes each year (18–19,000 workers). This does not include people moving between jobs or sub-sectors within business and finance. Therefore, turnover experienced by an individual employer in the business and financial services sector may be even greater.

The majority of those leaving jobs in business and finance changed sectors (80%), while a further 20% left employment altogether, either through unemployment or other factors such as sickness or family commitments.

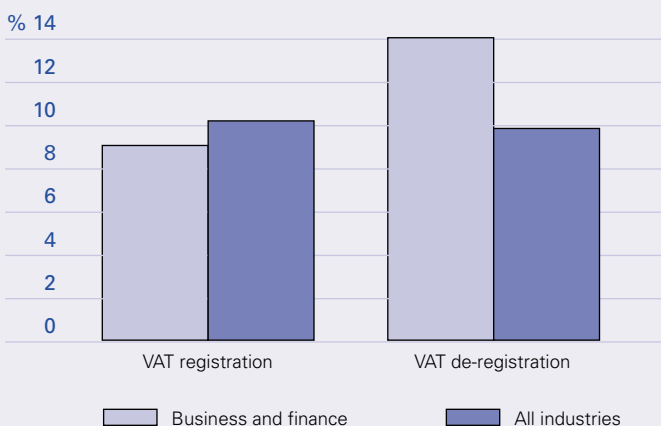
Newly qualified staff

In 2003, around 3,000 workers joined the business and financial services sector from full time education. Across the four

⁴ This is the closest sector definition in the EBS model to the other business activities sub-sector which shows a dramatic decline in employment in Figure 4.2.

Figure 4.3

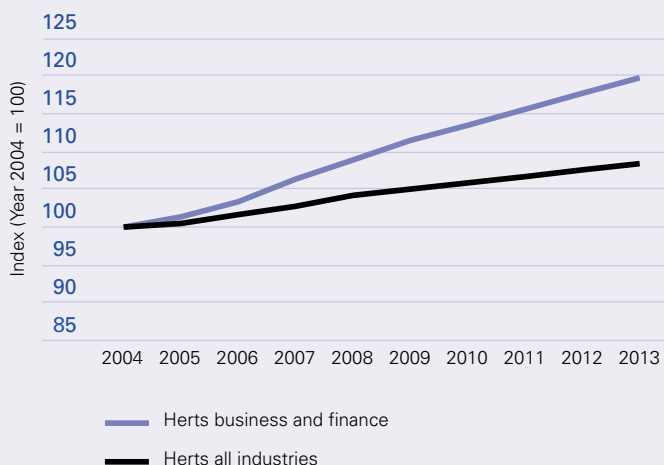
VAT registrations and de-registrations 2001–2002 – Hertfordshire



Source: NOMIS, VAT registrations/deregistrations by industry, 2002.

Figure 4.4

Forecast employment in business and finance 2004–2013



Source: Experian Business Strategies Forecasting Model, 2003.
Note: Figures include the self-employed

Figure 4.5**Forecasted employment change by occupation 2004–2010 – business and finance (Hertfordshire)**

Occupation (model categories)	% change in employment 2004–2010	Estimated jobs in Hertfordshire
Managers and senior officials	15	4,039
Professional occupations	18	4,517
Associate professional and technical occupations	14	2,848
Administrative and secretarial occupations	13	3,414
Skilled trades occupations	7	338
Personal service occupations	-5	-114
Sales and customer service occupations	14	705
Process, plant and machine operatives	14	338
Elementary occupations	14	1,713

Source: Experian Business Strategies Forecasting Model, 2003. ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Figures include the self-employed

colleges in Hertfordshire 5,422 individual learners signed up for business and finance related courses in 2002/03. However, it should be noted that some courses last 2 or 3 years and that not all people gaining relevant qualifications will enter employment in the sector. Nevertheless this suggests that LSC funded provision is key to the supply of new entrants to the sector.

Some of the types of business and finance courses available from Further Education providers in Hertfordshire are outlined in Figure 4.7.

Around 120 people completed or left Work Based Learning (WBL) programmes relevant to the business and financial services sector in 2003–2004. The majority were enrolled on Foundation Modern Apprenticeships (56%) and 23% were taking Advanced Modern Apprenticeships. However, the level of NVQ achievement on these programmes is relatively poor and improvements need to be made if this is to become a significant route for new entrants to the workforce.

Recent announcements on the development of Modern Apprenticeships could increase the importance of this route into the sector and include proposals to:

- Introduce 'Young Apprenticeships' to give more young people 'tasters' of vocational work and learning.
- Extend the programme to offer more places to those aged over 25.
- Improve the portability of programmes between employers.

Training levels in the current workforce

The proportion of the sector's workforce reporting that they had undertaken job-related training in the last three months is slightly above the level found for all industries. Training of this

⁵ DfES Press Release 10 May 2004. 'New Apprenticeships will widen opportunity and boost business – Clarke'

Figure 4.6**Inflow and outflow 2002/3 – business and finance**

Inflow	%
Full-time education	19%
Changed sector	43%
Unemployment	19%
Other out of work (including family commitments etc.)	19%
Outflow	%
Retirement	1%
Changed sector	80%
Unemployment	8%
Other out of work (including sickness, maternity etc.)	12%

Source: ONS Labour Force Survey, 2003. Inferred data
Note: Figures include the self-employed

Figure 4.7**FE business and finance provision – programme area**

Programme area	Enrolments
Finance/accounting	1,197
Business studies	1,171
Administration	388
Other	2,666
All business admin, management and professional	5,422

Source: LSC – Hertfordshire. Individualised Learner Records

kind had been undertaken by 29% of the business and finance workforce (36,000 workers) compared with 27% in all industries.

As with the workforce as a whole, more highly skilled workers in the business and financial services sector are more likely to have undertaken work-related training. However, Figure 4.8 shows that the level of job-related training undertaken at all skill levels is higher than that found in all industries.

However, Figure 4.9 shows that around 63% of employers in the business and financial services sector in Hertfordshire questioned as part of the 2003 National Employer Skill Survey (NESS) had funded or arranged training for their employees in the past 12 months, a greater proportion than that found among employers in all industries (57%).

The proportion of employers who had arranged training intended to lead to formal qualifications was however lower for the business and financial services sector (38% compared with 44% in all industries).

The majority of training that employers had funded or arranged for staff was job specific training (82%), training in new technology (66%), health and safety (42%) or induction training (40%).

The most commonly reported barriers to developing and maintaining a skilled workforce are a lack of time for training (reported by 46% of business and finance employers), lack of cover for training (41%) and lack of funding (35%).

Engaging SMEs in learning

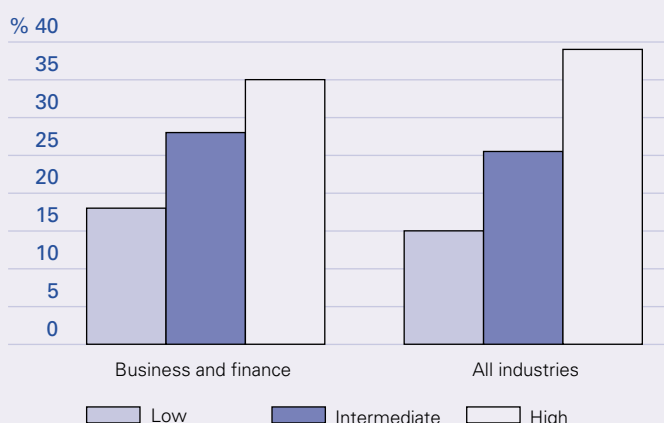
Given the importance of small and micro-businesses in the business and financial services sector, encouraging these employers to train their staff is a key challenge. Encouraging SMEs to engage in workforce development is one of the priorities of Hertfordshire Business Link.

Business Link data suggest that in 2003/04, some 2,187 visits had been made to establishments in the business and financial services sector by business advisors, nearly half of which (44%) were to businesses with between 10 and 49 employees.

However, relatively few employers in the business and financial services sector have committed themselves to Investors in People (IiP). IiP is a national quality standard that sets out a level of good practice for the training and development of people to improve business performance. Data supplied by Business Link reveals that 10 establishments in the business and financial services sector were IiP recognised and a further 70 were working towards the standard in 2003/4.

Figure 4.8

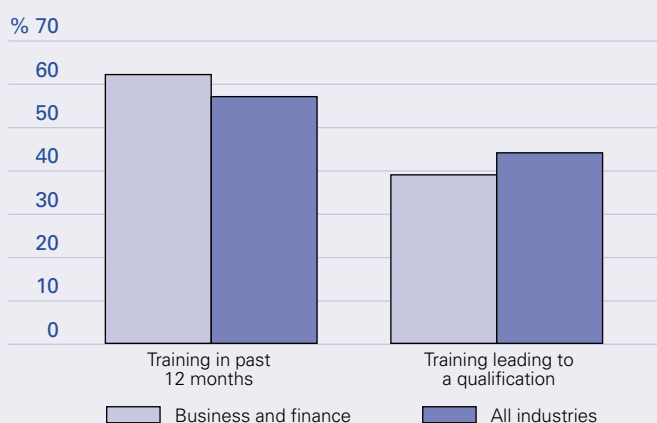
Those undertaking job-related training in the past 13 weeks – Hertfordshire



Source: ONS Labour Force Survey, Spring 2003. Inferred data.
Note: Figures include the self-employed

Figure 4.9

Establishment has funded job-related training in past 12 months – Hertfordshire



Source: LSC National Employer Skills Survey, 2003.
Note: Figures do not include the self-employed or businesses with only one employee

This section looks at the learning and skills representative bodies active in the business and finance sector, their activities and their plans for the development of the sector. It also sets out the key issues and skills concerns for the sector that they have identified and the efforts they are making to try to address these issues.

Key messages

- Business and finance is a diverse sector and a wide range of bodies have an interest. However, things have become less complicated with the replacement of NTOs with a smaller number of SSCs.
- SSCs covering the business and financial services sector include the Financial Services Skills Council, E-Skills UK and Asset Skills, which is currently in development and will cover property, housing, cleaning and facilities management.
- Business and financial services is one of nine key industrial sectors identified in the East of England regional economic strategy.
- Research conducted by the Financial Services Skills Council on behalf of EEDA found a commitment to training among financial services firms but a lack of in-depth understanding of the impact of sector-specific and generic regulatory requirements, which could affect organisational performance and the relevance of training.

Figure 5.1

Skills issues and priorities for action identified by Asset Skills

Skills issues

- The poor public image of parts of the sector and difficulties in recruitment and retention
- The need for businesses to be better informed about the efficient use of property assets
- The need for greater coherence and relevance in the wide range of skills development qualifications available
- The gearing of current government policy towards those under 25 and to those in Higher Education
- The need to respond more rapidly and effectively in supporting the development of skills to address immediate business and employer needs
- Marked gender imbalances
- The need, with poorly performing pension funds and share portfolios, to improve the understanding of property as an alternative investment

Priorities for action

- Increase the number of employers engaged in programmes that directly improve performance
- Ensure that the sector is able to recruit sufficient people with the right knowledge, skills and attitude to meet requirements
- Improve the quality and relevance of the provision of learning and skills development

Workforce development – national

Business and finance is a diverse sector covering a diverse range of activities. This means that there are a large number of bodies with an interest in the sector. However, the situation in terms of learning and skills has been somewhat simplified with the replacement of National Training Organisations by a smaller number of bodies called Sector Skills Councils (SSCs).

In April 2004, the Secretary of State for Education and Skills, Charles Clarke, confirmed the licence for a new SSC for the financial services industry. The Financial Services Skills Council (FSSC) will take over much of the work on skills and training that was previously led by the Financial Services Authority (FSA), the regulatory body for the financial services sector.

There is also an SSC for the computer and related activities sub-sector. E-skills UK was granted a licence in April 2003 and covers information technology, telecommunications and contact centres. E-Skills UK also has a remit to improve general IT user skills across the economy.

E-Skills UK's strategic objectives for the IT industry are:

- **Sector attractiveness** – Make IT a top aspirational career choice
- **Skills supply** – Create the IT skills pool for the future, reflecting employer need for technical, business and interpersonal skills
- **Workforce development** – Realise the potential of the IT workforce to improve productivity and business competitiveness
- **Influence** – Provide compelling strategic leadership for IT skills, based on unrivalled market understanding

Programmes of work to try to achieve these objectives include the e-skills exchange, which aims to provide brokerage between employer needs, government policy and education suppliers and involvement in the GERI partnership, which aims to tackle gender and ethnic stereotyping and its impact on the career choices of 14–19 year olds. The SSC has also been a member of a partnership to develop a new degree curriculum in Information Technology Management for Business, which aims to specifically address employer's needs and to be more attractive to women.

An SSC to cover property, housing, cleaning and facilities management has been in development since October 2003 but has not yet been granted a full licence. Asset Skills will build on the work of three former National Training Organisations (NTOs); Housing Potential, the Cleaning Industry NTO and the Property Services NTO. The skills issues identified by Asset Skills and their priorities for action are shown in Figure 5.1.

Workforce development – regional

Business and financial services is one of nine key industrial sectors identified in the East of England Regional Economic Strategy (RES).

The East of England Development Agency (EEDA) funded research by the Financial Services Skills Council to examine the understanding and impact of regulation and skills among businesses in the financial services sector in the region. The conclusions of this research are set out in Figure 5.2.

Employers in the sector have a statutory responsibility to attend to the competence of staff engaged in regulated activities and 63% of businesses taking part in the study identified sector specific regulations that would impact upon them. Two thirds of businesses said they would adjust to regulation through training staff and over a quarter said they would look to restructure their business.

Figure 5.2

Findings of the Financial Services Skills Council report on Regulation and Skills in the East of England

- There is a commitment to training among sector firms
- However, many employers have a lack of in-depth understanding of both sector-specific and generic regulatory impacts
- Existing training infrastructure appears sufficient although given the lack of understanding of regulatory effects, organisational performance and the relevance of training provision may vary
- High level of training, low skill gaps and low labour turnover suggest that sector's SMEs in the East of England are well placed to meet the regulatory challenge
- Better use of ICT to improve productivity and facilitate learning may need to be supported through targeted public research and intervention
- Agencies such as EEDA, the LSCs and FSSC, appear to have a receptive audience among regional SMEs to ensure appropriate training and up-skilling policies and strategies are in place

Source: Regulation and Skills, FSSC, 2004.

This section sets out the workforce development priorities for the business and finance sector in Hertfordshire. It explores what is currently being done to address these priorities and what opportunities there may be for further action.

Workforce development plans for the business and financial services sector will need to recognise the diversity of the workforce in the sector and develop a multi-strand approach.

At the start of this paper, three workforce development priorities for the business and financial services sector in Hertfordshire were proposed.

1. Addressing the skills and learning needs of those with low and intermediate skills.

While overall skills levels in business and financial services are high in comparison with many other sectors, it is important to remember that 64% of the workforce do not have skills at this level. Addressing the needs of individuals who have no qualifications and/or basic skills needs is likely to be particularly important.

Currently, low skilled employees in the sector are less likely to undertake job-related training than those with high level skills. Only 18% of low skilled employees in the sector had engaged in this training compared with 35% of high skilled employees.

Given that some occupations and sub-sectors of the workforce are well covered by professional and representative bodies who co-ordinate and arrange training, the LSC and local partners will need to first audit provision arrangements for the sector in order to identify where they can make most difference. The situation is likely to be complex. In the accounting and book-keeping sub-sector, for example, some intermediate skilled workers may already be on professional programmes and will gain Level 4 qualifications within a few years (e.g. trainee accountants). Others may be employed in more junior roles and may be more reliant on LSC funded courses (e.g. trainee book-keepers).

One area where there is likely to be an immediate need is in the real estate sub-sector. Estate agents do not currently need formal qualifications to practice and recent reports have highlighted a lack of skills in some areas, particularly around dealing with legislative requirements⁶.

2. Addressing management skills needs

There is a relatively high proportion of employment in occupations that are likely to need management skills (including managers and senior officials, professionals and associate

professionals and technicians with line management responsibility). Furthermore, we saw in Section 4 that employment in these occupations is forecast to grow more quickly than employment in many other occupations in the sector.

However, many of these workers will have technical rather than management qualifications. Managerial skills are particularly important not only in terms of direct business performance but because managers are often the gatekeepers to the learning and development of the wider workforce.

The LSC and partners should seek to ensure that managerial skill needs are not overlooked and are embedded in any learning programmes provided to the sector.

Section 4 noted that, despite the relatively high skill profile of the business and financial services sector, on-going training levels for the workforce in work are not particularly high. For the workforce already in work, there is a need to ensure that managerial skills provision is available in a sufficiently flexible and bite-sized format to encourage more high skilled workers to improve their management skills.

3. Keeping knowledge and skills up-to-date particularly with regards to consumer regulation.

In many parts of the business and financial services sector, it is generally accepted that staff need relevant qualifications to be able to carry out their role. However, while providing the fundamental knowledge required to do a particular job, these qualifications may not be enough to allow workers to keep up with the changing face of the business and financial services sector.

This is likely to be particularly relevant in the sub-sectors where staff need to keep up with changes in legislation (e.g. financial services, real estate, accounting and book-keeping). The business and financial sector's workforce also needs to be able to keep up with technical changes affecting the sector, which may require them to gain or improve ICT skills, for example. This is illustrated by evidence gained from research carried out by EEDA identifying skills gaps in banking and insurance services in particular as a result of moves into Internet activities.

In order for provision to be effective there is a clear need to ensure that training providers themselves are up-to-date with legislative and technological developments.

Once again, the specific initiatives required would be well informed by mapping the responsibilities and coverage of professional bodies across sub-sectors and occupations both in theory and in practice (e.g. membership patterns and professional development rules) in order to identify key problem areas.

⁶ www.which.co.uk/legal advice

Annex 1. Sector Description

65 Financial intermediation

Includes monetary intermediation, financial leasing, credit granting, factoring, activities of mortgage finance companies, activities of investment trusts and unit trusts, security dealing and activities of bank holding companies, venture and development companies

66 Insurance and pension funding

Includes life insurance, pension funding and non-life insurance

67 Auxiliary financial intermediation

Includes administration of financial markets, security broking and fund management

70 Real estate activities

Includes development, buying and selling of real estate, letting of property, real estate agencies and management of real estate

71 Renting of machinery and equipment

Includes renting of transport equipment, renting of other machinery and equipment and renting of personal and household goods

72 Computer and related activities

Includes hardware consultancy, software consultancy and supply, data processing, data base activities, maintenance and repair of office, accounting and computing machinery and other computer related activities

73 Research and development

Includes research and experimental development in natural sciences and engineering and social sciences and humanities

741, 743–748 Other business activities

Includes legal accounting, book-keeping and audit activities, tax consultancy, market and public opinion polling, business and management consultancy, technical testing and analysis, advertising, labour recruitment and provision of personnel, investigation and security activities, industrial cleaning and other business activities.

Occupational job roles, SOC 2000 (12 key specialised occupations)

2131 IT Strategy and planning professionals

IT strategy and planning professionals provide advice on the effective utilisation of information technology in order to solve business problems or to enhance the effectiveness of business functions.

Entrants usually possess a degree or equivalent qualification, although entry with other academic qualifications and/or relevant experience is possible. There are a variety of vocational, professional and postgraduate qualifications available.

Tasks

- liaises with clients in order to analyse business procedure, clarify customer requirements and to define the scope of existing software, hardware and network arrangements;
- undertakes feasibility studies incorporating costs, benefits, staffing implications and training.

4123 Counter clerks

Counter clerks deal with the payment of money, cheques and other financial claims and open and close accounts. Advise upon financial products and services offered by banks, building societies and post offices.

There are no minimum academic requirements, although entrants usually possess GCSEs/S grades, A levels/H grades or an Advanced GNVQ/GSVQ Level III. On-the-job training is provided. NVQs/SVQs in Providing Financial Services (Banks and Building Societies) are available at Levels 2, 3 and 4.

Tasks

- deals with enquiries from customers, other banks and other authorised enquirers;
- maintains records of transactions and compiles information;
- advises customers on financial services and products available;
- receives and pays out cash.

3534 Finance and investment analysts/advisers

Workers in this unit group advise customers on the purchase of investment, insurance, mortgages, pensions and other financial services and products.

There are no formal academic requirements although entrants usually possess GCSEs/S grades. Training is typically undertaken in-house, although entrants may attend courses run by professional institutions. Registration with a regulatory authority may be required in some positions.

Tasks

- predicts the long and short term future performance of securities and other financial assets and advises upon what will be a good investment for their clients;
- analyses the financial position of clients, taking into account outgoings, dependants and commitments;
- undertakes administrative duties.

2411 Solicitors, lawyers, judges and coroners

Workers in this unit group advise and act upon behalf of individuals, organisations, businesses and government departments in legal matters, prepare and conduct court cases on behalf of clients, preside over judicial proceedings, and pronounce judgements within a variety of court settings and tribunals.

Entry to training usually requires a qualifying law degree or postgraduate diploma. Entrants then undertake a further year of academic training and then complete up to four years of assessed supervised experience in legal practice. The position of judge is obtained by appointment of those who have substantial post qualifying experience in legal practice.

1151 Financial institution managers

Job holders in this unit group plan, organise, direct and co-ordinate the activities and resources of banks, building societies, insurance companies and post offices.

Entry is possible with Advanced GNVQ/GSVQ Level III, A levels/H grades, a degree or equivalent qualification. Those with higher qualifications obtain accelerated training. Internal promotion to management is also possible. On-the-job training is provided. Professional qualifications are available and often mandatory.

Tasks

- plans, organises, directs and co-ordinates the activities of financial institutions;
- verifies that accounting, recording and information storage and retrieval procedures are adhered to;
- authorises loans and mortgages.

1231 Property, housing and land managers

Workers within this unit group manage shopping centres, residential areas and private estates, and arrange for the sale, purchase, rental and leasing of property on behalf of clients and employers.

There are no formal academic requirements, although entrants usually possess a BTEC/SQA award, a degree or equivalent qualification. Many employers expect the attainment of membership to a professional body.

Tasks

- discusses client's requirements and may advise client on the purchase of property and land for investment and other purposes;
- conducts or arranges for structural surveys of properties and undertakes any necessary valuations of property or agricultural land;
- negotiates land or property purchases and sales or leases and tenancy agreements and arranges legal formalities with solicitors, building societies and other parties.

9241 Security guards

Workers in this unit group protect merchandise, individuals, hotels, offices, factories, public grounds and private estates from injury, theft or damage.

There are no formal academic entry requirements. For some vacancies a current and clean driving licence is required and entrants may have to pass a medical examination. Training is typically provided on-the-job. NVQs/SVQs covering various aspects of security guarding are available at Level 2.

Tasks

- investigates crimes, trading practices and the private affairs of individuals;
- walks or rides near person requiring protection, watches for suspicious occurrences and defends guarded person from attack;
- monitors and patrols hotels, factories and offices.

4132 Pensions and insurance clerks

Pensions and insurance clerks provide general clerical support to senior colleagues and perform specialist clerical tasks in relation to the administration of pension and insurance policies. There are no minimum academic requirements, although entrants usually possess GCSEs/S grades. Training is usually provided on-the-job. NVQs/SVQs in Insurance are available at Levels 2 and 3. Professional qualifications are also available.

Tasks

- answers queries from clients and assists in interpreting and completing information requested on forms;
- checks forms completed by clients and contacts clients to obtain additional information or to clarify details;
- makes arrangements for financial advisers to visit clients and potential customers;
- transfers information from application forms and other documentation to computerised records;
- receives notice of changes to personal circumstances.

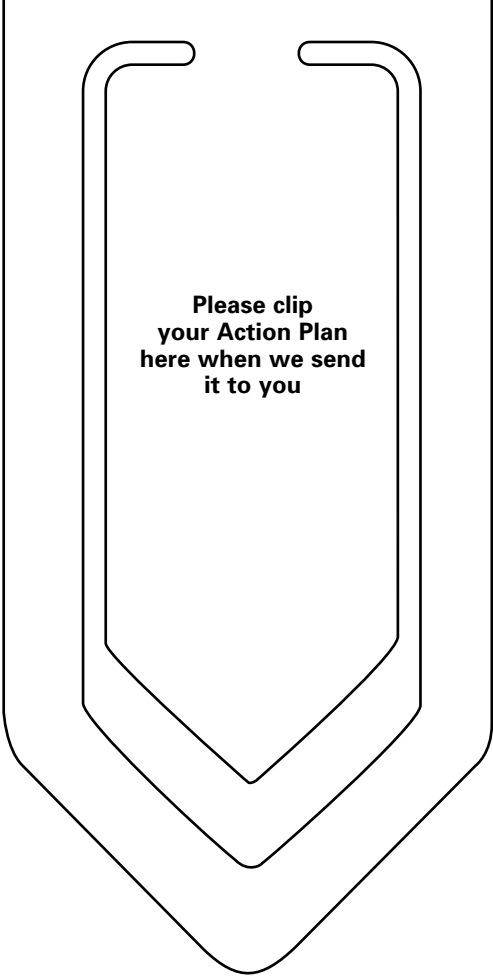
4212 Legal secretaries

Legal secretaries file and maintain legal and other records, transcribe notes and dictation into typewritten form and perform other routine clerical tasks in legal practices.

There are no formal academic requirements, although employers may expect candidates to possess a legal secretarial qualification. Entrants to professional legal courses typically require GCSEs/S grades or equivalent qualifications. NVQs/SVQs in Administration are available at Levels 2, 3 and 4.

Tasks

- sorts and files correspondence;
- writes down dictated matter into shorthand and transcribes it into typewritten form;
- transcribes audio dictation into typewritten form;
- maintains court and clients' records and arranges appointments;
- answers enquiries and directs clients to appropriate experts;
- attends meetings and keeps records of proceedings.



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