





## 1. Context

This paper is one of a series that outline workforce dynamics and skills and training issues in key sectors in Kent and Medway and across the South East as a whole. The series sets out:

- The demographic and skill profile of the workforce in each sector
- The likely demand for and supply of new skills and workers, now and in the future
- The current and potential offer to the sector from the Learning and Skills Council

In addition, an overview paper provides a review of skills needs and intelligence across the whole of the economy, including cross-sector skills issues.

For the purposes of this paper, the finance and business services sector includes financial intermediation, insurance and pension funding, auxiliary financial intermediation, real estate activities, the renting of machinery and equipment and other business activities (see Appendix I).

Where appropriate, analysis in the paper distinguishes between the three broad industry groups of financial services, *Asset Skills* and other business services. The first two of these analytical groups are broadly reflective of the 'footprints' or types of employers represented by the *Financial Services Skills Council (FSSC)* and *Asset Skills*:

**Financial Services (FSSC)** – includes central and retail banking, insurance, pension funding, security brokering and fund management, activities auxiliary to finance, insurance and pension funding.

**Real estate and property services (Asset Skills)** – includes development, buying, management and selling of real estate, letting of property, and industrial and commercial cleaning.

**Other Business Services** (not assigned to an SSC) – includes labour recruitment agencies, legal services, accountancy and book-keeping, private investigators, market research and management consultancies.

**The data presented in this paper is for Kent and Medway unless otherwise indicated.**

### Economic context

The finance and business services sector is a significant contributor to both the South East and Kent and Medway economies. Its estimated output (Gross Value Added) is worth £5 billion in Kent and Medway alone, almost a quarter (24%) of the sub-region's total output.<sup>2</sup> The sector directly employs around 76,000 people in Kent and Medway.

There are a considerable range of drivers of change within the finance and business services sector but many parts of the sector are characterised by increasing levels of competition and the adoption of more sophisticated ICT and management information systems.

The sector is a central component of the wider '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 services of other sectors.

The finance and business services sector is diverse and covers a wide range of different activities. The sector includes many economic activities that are clearly 'knowledge-based', and some are dominated by high skilled professionals. However, it also covers a broad range of other business activities such as industrial cleaning.

Some organisations in the finance and business services sector are 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, processing transactions and managing risks. These specialist offices require new types of staff and the relative importance of high, intermediate and low skilled workers in the sub-sector is constantly evolving. Indeed, the announcement in early 2006 that the Halifax is to open over 100 new branches in the UK over the next five years confirms this trend.<sup>3</sup>

The Internet has also enabled a number of finance firms to broaden their access to the market without a local branch presence or broker. 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 and book-keepers). The impact of the Internet on the sector may not yet have been fully realised, particularly as security issues (or perceived issues) are not yet resolved. Research also suggests that a significant proportion of newly-registered online banking customers are confused by the services they receive and will only use them once.<sup>4</sup> This suggests that improvements to online services may be needed if the full potential of the Internet is to be realised.

Another issue facing the sector is 'offshoring'. In the last few years a number of large banking and insurance institutions have announced job cuts in the UK, moving call centre and administrative jobs to low wage economies. In 2004 Royal and Sun Alliance announced plans to move more than 1,000 jobs to India (10% of the workforce).<sup>5</sup> More recently, Lloyds TSB also decided to close its UK processing centres, including one in Tonbridge, and transfer operations to the subcontinent.<sup>6</sup> The move to outsourcing could present a number of problems for the sector, not only through a potential loss of UK jobs but greater skills may be required to

<sup>3</sup> [www.hbosplc.com/media/pressreleases/articles/halifax/](http://www.hbosplc.com/media/pressreleases/articles/halifax/) accessed 21/3/06.

<sup>4</sup> <http://www.financialmarketingonline.com>

<sup>5</sup> 'Royal and Sun moves 1,100 jobs to India', The Guardian, October 11, 2004

<sup>6</sup> 'Lloyds TSB closes processing centres', The Financial Times, March 16, 2006.

<sup>2</sup> National Statistics 2005 Region in Figures (GVA 2002). Second Edition 2006

deal with the logistics of co-ordinating an international workforce.

The financial services sub-sector is also highly regulated and changes in the regulatory framework will often require staff training. A new 'Markets in Financial Instruments Directive' (MiFID) is due to be introduced in 2007, for example. This will create a harmonised Conduct of Business across EU member states with significant implications for the way in which the IT and administrative functions of banking and financial services businesses work.<sup>7</sup>

### Policy Context

The business services sub-sector is one of five regional priority sectors identified by the Regional Skills Partnership and this status has recently been confirmed by the revised *South East Sector Prioritisation Framework* (see Section 4). The framework also suggests the sub-sector could be considered a priority within Kent and Medway. The priority status of the business services sub-sector is largely due to its size and growth potential. The financial services sub-sector is smaller in comparison and has lower growth forecasts.

The finance and business services sector is represented nationally by two Sector Skills Councils: *Financial Services Skills Council* and *Asset Skills*. Sector Skills Councils (SSCs) are responsible for articulating the demand for skills from employers and helping to broker appropriate solutions, including the design of new qualifications and standards where appropriate.

Recently, SSCs have been asked to broker Sector Skills Agreements (SSAs) with learning providers and funding bodies to ensure that the supply of skills meets employer needs.

Both the *FSSC* and *Asset Skills* are not expected to publish their Sector Skills Agreement until 2007. However, Figures 1.1 and 1.2 highlight the key strategic aims for both organisations as outlined in their current annual reports.

### Figure 1.1 FSSC Strategic Themes

- Improving the efficiency of training, helping employers to realise a return on their investment in learning.
- Developing a coherent qualifications framework.
- Acting as an interface between the industry and government on education and skills issues.
- Promoting financial services as careers of first choice.

Source: FSSC Annual Review 2005.

### Figure 1.2 Asset Skills Objectives 2005-06

- Identify gaps in skills and training provision, examining what is available, at what cost and quality, through Sector Skills Agreement activity
- Continue to focus on literacy and numeracy support as key to many sectors
- Implement the new skills passport with partners and develop similar schemes in the other sectors
- Develop product portfolio to ensure additional products offer value for money and meet a clear employer need
- Work with other Sector Skills Councils to develop a pilot schools diploma in England on Construction and the Built Environment

Source: Asset Skills Annual Report 2004-05.

<sup>7</sup> PricewaterhouseCoopers, UK Retail Banking Newsletter, January 2006.

## 2. Sector Profile

### Regional Overview

There are around 652,000 people employed in the finance and business services sector in the South East. Around 540,000 people are directly employed by one of the region's 66,900 finance and business services establishments and a further 112,000 workers are estimated to be self-employed (17% of the overall workforce).

The sector accounts for around 15% of all employees in the South East. Across the region the highest concentration of finance and business services employment can be found in Surrey.

Some 90% of finance and business services establishments in the region are micro-businesses, employing between 1-10 people. However, almost a third (32%) of employees are found in large businesses of 200 or more staff.

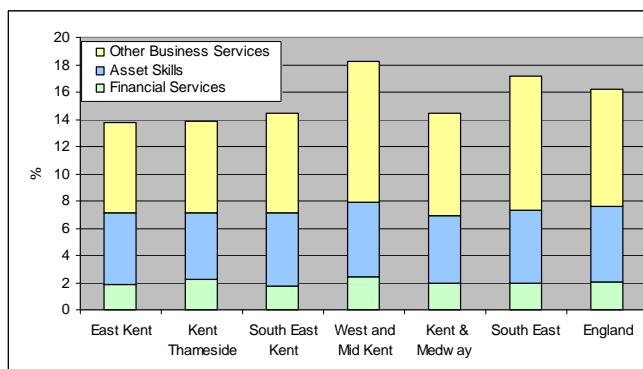
The overall proportion of men and women employed in the sector is well balanced, although a larger proportion of men work full-time (42%) in comparison to women (29%). The workforce has a mixed age profile, with around 22% of workers being over the age of 55 and just 11% aged between 16 and 24.

### Finance and business Services in Kent and Medway

There are around **9,750 finance and business services establishments in Kent and Medway**, accounting for around 14% of the total business base in the area. This proportion is slightly lower than the average for the South East (17%) and England as a whole (16%).

Figure 2.1 shows that the sector accounts for between 14% and 18% of business establishments across each of the four LSC partnership planning areas in Kent and Medway<sup>8</sup>. Finance and business services are particularly important within the West and Mid Kent area accounting for around 18% of business establishments. In particular, establishments in the other business services sub-sector are concentrated in West and Mid Kent.

**Figure 2.1: Business establishments by area**



Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed. Total establishment figures exclude farm based agriculture data in SIC92 class 0100.

<sup>8</sup> East Kent (Canterbury, Swale and Thanet); South East Kent (Ashford, Dover and Shepway); Kent Thameside and Medway (Dartford, Gravesham and Medway); West and Mid-Kent (Maidstone, Sevenoaks, Tonbridge and Malling and Tunbridge Wells)  
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Numerically, West and Mid Kent also has the greatest number of finance and business services establishments (4,300 or 44%). In particular, West and Mid Kent has a higher concentration of establishments in the 'other business services' sub-sector, with 10% of businesses in this sub-sector compared with around 7% in each of the other three LSC partnership planning areas in Kent and Medway.

Figure 2.2 shows that the two sub-sectors covered by a Sector Skills Council (*FSSC and Asset Skills*) account for around 7% of all business establishments in Kent and Medway, whereas other business services not covered by an SSC account for 8%.

**Figure 2.2: Establishments by sub-sector**

	% of Total business establishments		
	Kent and Medway	South East	England
Financial Services SSC	2	2	2
Asset Skills	5	5	6
Other business services not covered by an SSC	8	10	8

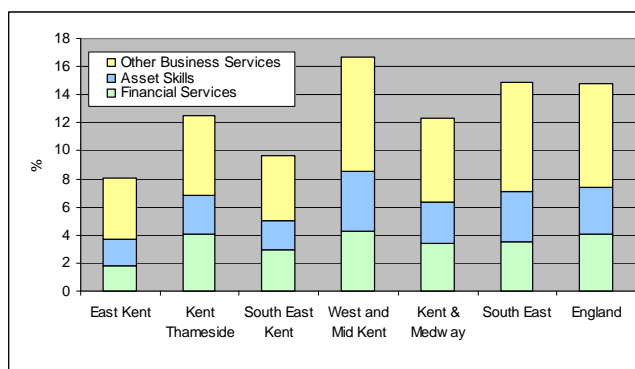
Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

### Employment

The Annual Business Inquiry (ABI) indicates that there are around **76,000 sector employees in Kent and Medway**, accounting for 12% of total employment.

It should be noted that the ABI does not include self-employed people. The Labour Force Survey (LFS), which does include the self-employed but cannot provide detailed local data, indicates that there may be **an additional 16,500 self-employed people** working in finance and business services in Kent and Medway, 18% of the total workforce in the sector in Kent and Medway.

**Figure 2.3 Finance and business Services employment by area**



Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed. Total employment figures for planning areas exclude farm based agriculture data.

Figure 2.3 shows that finance and business services account for between 8% (East Kent) and 17% (West and Mid Kent) of employment in each of the four LSC partnership planning areas. Numerically, West and Mid Kent<sup>9</sup> accounts for the greatest proportion of employment in the sector (46% or

<sup>9</sup> The West and Mid Kent planning area accounts for the greatest number of employees as it has a greater geographic area.

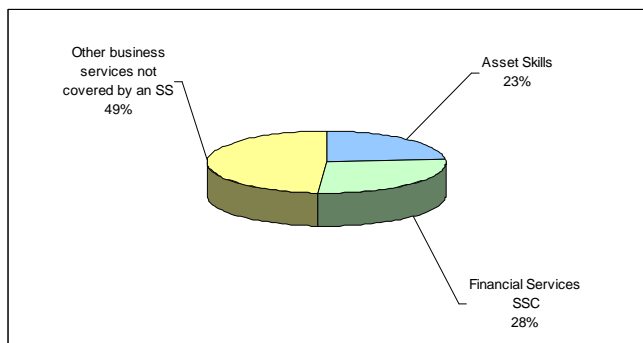
35,000 employees) followed by Kent Thameside and Medway (26% or 19,600).

The size profile of finance and business services establishments in terms of employment is close to the all industries average for Kent and Medway. However, the sector has a lower proportion of large businesses (200 or more employees) in Kent and Medway (23%) than in the South East or across England as a whole (32% and 37% respectively). However, there is a relatively high proportion of large businesses in the financial services sub-sector in West and Mid Kent whilst in East Kent there is a higher than expected concentration of small business establishments across all three sub-sectors.

*Owners and managers of small and micro-businesses are often difficult to engage in workforce development initiatives. For many the difficulty is as much to do with providing cover for people engaged in learning and replacing lost income as the direct cost of training.*

Figure 2.4 shows that approximately 51% or 39,000 employees work within either the financial services (FSSC) or real estate and property services (Asset Skills) sub-sectors. The remaining 49% (37,700) are found in the other business services sub-sector. This is in line with both the regional and national picture.

**Figure 2.4: Employment by sub-sector**



Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

Looking at the sector in more detail, Figure 2.5 shows that banking and supporting activities to the insurance and pensions industry account for more than two thirds of employment in the financial services (FSSC) sub-sector.

Industrial cleaning accounts for just over 50% of employment in the real estate and property services sub-sector (Asset Skills).

Within the other business services sub-sector, labour recruitment agencies<sup>10</sup>, business and management consultancies, legal services, accounting and book-keeper are all significant in terms of employment.

<sup>10</sup> Employment figures for this sub-sector should be treated with some caution as they can contain people working across a wide variety of sectors but receiving payment (PAYE) through an agency. Second Edition 2006

**Figure 2.5: Employees by minor sub-sector**

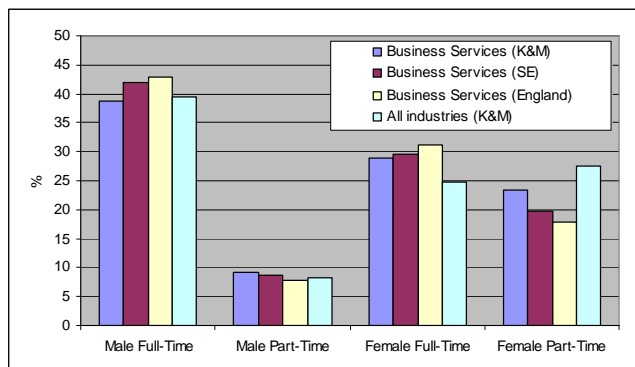
SSC Sector	% of financial & business services employees	No of employees
<b>Financial Services SSC</b>		
Banking (other financial intermediation)	12	8,900
Activities auxiliary to insurance and pensions	7	5,200
Non-life insurance	2	1,900
Life insurance	2	1,600
Activities auxiliary to finance	2	1,400
Security broking and fund management	1	1,100
Other finance not elsewhere classified	1	500
Other credit granting	1	400
Central banking	0	0
Pension funding	<1	<100
<b>Total Financial Services SSC</b>	<b>27</b>	<b>21,000</b>
<b>Asset Skills</b>		
Industrial cleaning	12	9,400
Real estate agencies	4	3,300
Letting of own property	4	2,800
Development and selling of real estate	2	1,500
Management of real estate on a fee or contract basis	1	900
Buying and selling of own real estate	<1	100
<b>Total Asset Skills</b>	<b>23</b>	<b>18,000</b>
<b>Other business services not covered by an SSC</b>		
Labour recruitment and provision of personnel	19	14,200
Business and management consultancies	9	6,900
Legal activities	5	4,100
Accounting, book-keeping etc	5	3,600
Investigation and security activities	4	3,000
Management of holding companies	2	1,800
Market research and public opinion polling	1	1,100
Business and employers organisations	1	700
Packaging activities	1	700
Secretarial and translation services	1	400
Activities of professional organisations	<1	100
<b>Total other business services not covered by an SSC</b>	<b>49</b>	<b>36,600</b>
<b>Total Business Services</b>		<b>75,700</b>

Source: ONS Annual Business Inquiry 2004. Figures do not include the self-employed.

**The current workforce**

The composition of the workforce in the finance and business services sector shown in Figure 2.6 shows a pattern of gender and work status which indicate small differences between Kent and Medway and the regional and national levels.

**Figure 2.6: Gender and employment status**



Source: ONS Annual Business Inquiry 2004. Note figures do not include the self-employed.

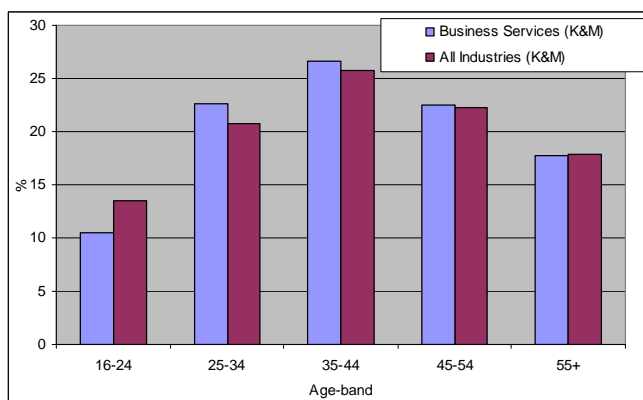
Despite the overall similarity in the proportions of men (48%) and women (52%) working in the sector in Kent and Medway, there are clear gender differences in work status. Women working part-time account for 23% of the sector workforce compared with only 9% for men working part-time.

For women the proportion of full-time employment is higher (29%) than the all industries figure (25%), the proportion of part-time employment is lower at 23% compared with the all industries figure of 27%.

At a national level, ethnic minority workers account for around 16% of the sector's workforce, compared with 13% across all industries. Census 2001 data reveals that there are a smaller proportion of people from ethnic minority backgrounds in Kent and Medway than in England as a whole (6% compared with 13%). We estimate that there are around 7,000 people from ethnic minority backgrounds working in the finance and business services sector in Kent and Medway (between 7 and 8% of the workforce).

The finance and business services workforce has an age profile which differs from the all industries profile in two significant ways (Figure 2.7). Firstly, just 10% of the workforce is aged between 16 and 24 compared with 14% across all industries. Secondly, the sector has a higher proportion of its workforce aged 25 to 44 than is the case across all industries, suggesting a significant rate of graduate entrants to employment.

**Figure 2.7: Workforce Age Profile**



Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

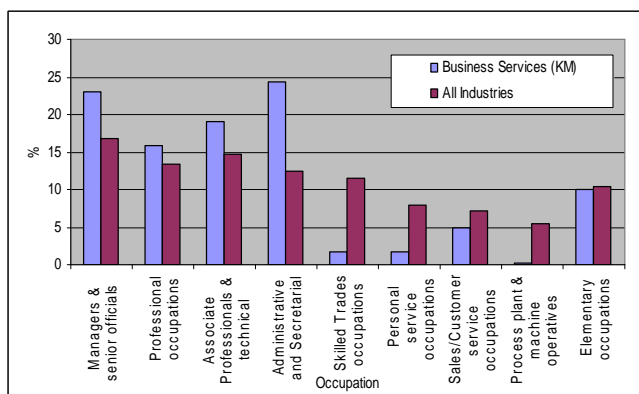
**Occupational profile**

Figure 2.8 shows that the sector possesses a significantly higher proportion of managerial and senior official, administrative and secretarial, and associate professional and technical occupations than are found across all industries.

Around 23% (or 21,400 people) of the finance and business services workforce are found in managerial or senior official occupations. This is significantly higher than the all industries proportion of 16%.

The proportion of administrative and secretarial employees (24% or 22,400 people) is twice that found in all industries (12%).

**Figure 2.8: Broad occupational breakdown**



Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed.

Figures 2.9 and 2.10 (overleaf) show in detail the occupational structure of the sector. Over a quarter (28%) of employment is in sector specific occupations. Within the financial services (FSSC) sub-sector this proportion rises to 37%, while in the real estate and property services (Asset Skills) sub-sector it drops to 15%. The other business services sub-sector has a 3:1 ratio of non specialist to specialist occupations.

**Figure 2.9: Employment in specialist occupations**

Occupation	Financial Services	Asset Skills	Other Business Services	% of financial and business services jobs
Financial institution managers	4,300	100	200	5
Finance and investment analysts	2,900	0	1,000	4
Management consultants, actuaries, economists and statisticians	900	300	2,700	4
Pensions and insurance clerks	3,400	0	0	4
Solicitors, lawyers, judges and coroners	0	0	3,100	3
Brokers	1,700	0	0	2
Legal secretaries	0	0	1,700	2
Estate agents, auctioneers	0	900	100	1
Window cleaners	0	900	0	1
Other sector specific	1,200	200	600	2
<b>Total sector specific</b>	<b>14,400</b>	<b>2,400</b>	<b>9,400</b>	<b>28%</b>
	<b>37%</b>	<b>15%</b>	<b>25%</b>	

Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed. Totals may not sum due to rounding. \* Not elsewhere classified.

The sector as a whole therefore has requirements for both sector based skills initiatives for the specialised occupations shown in Figure 2.9, but the level of employment in non sector specific occupations indicates the potential importance of cross-sector initiatives.

Within the financial services (FSSC) sub-sector there is clear concentration of employment in the sector specific occupations in management, financial advice and clerking. These account for 10,600 jobs or 74% of sector specific employment. General clerk occupations also form a significant proportion of non sector specific employment (6,600 jobs or 27% of non sector specific employment). Many of these jobs require intermediate skills.

The diversity of the real estate and property services (Asset skills) sub-sector is shown in the fact that the highest number of sector specific jobs are to be found among estate agents and window cleaners (each 900 jobs or 37% of sector specific employment). Cleaners and domestics account for 28% of non sector specific employment.

**Figure 2.10: Estimated employment in other occupations**

Occupation	Financial Services	Asset Skills	Other Business Services	% of financial and business services jobs
Accounts wages clerks, bookkeepers	2,200	300	2,400	5
Cleaners, domestics	-	3,900	200	4
General office assistants or clerks	1,400	600	1,700	4
Counter clerks	3,000	-	200	3
Marketing and sales managers	1,700	100	1,200	3
Chartered and certified accountants	200	-	1,100	3
Financial managers and chartered secretaries	1,700	100	700	3
Personal assistants and other secretaries	700	200	1,600	3
Security guards and related occupations	100	-	2,200	2
Property, housing and land managers	-	2,000	100	2
Customer care occupations	1,700	200	100	2
Other non sector specific	11,900	6,700	16,600	38
Total non sector specific	24,600	14,100	28,100	72%
	63%	85%	75%	

Source: Labour Force Survey Spring 2005. Inferred data. Note figures include the self-employed. Totals may not sum due to rounding. \* Not elsewhere classified.

Within other business services legal related occupations account for 3,100 jobs or 33% of the total. Diversity in occupations is apparent in non sector specific employment in other business service. The largest occupational categories are clerks (4,300 jobs or 15% of non-sector specific employment) and security related occupations (2,200 jobs or 7%).

### Commuting

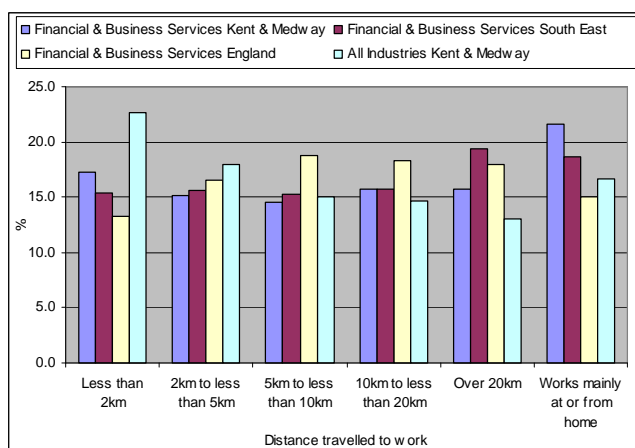
Analysis of the 2001 Census reveals the extent of travel to work within the finance and business services<sup>11</sup> sector in Kent and Medway. Currently around 87% of those working in the financial intermediation broad sub-sector in Kent and Medway also live in the area, rising to 91% for the real estate, renting and business activities broad sub-sector the figure.

Geographically, the East Kent area (81%) has the highest proportion of people living and working in the same planning area, while West and Mid Kent (61%) has the lowest.

In general, commuting is more common amongst higher paid occupations (i.e. managerial and professional occupations). Lower skilled workers are more likely to live and work in the same area.

A significant proportion of workers in Kent and Medway report that they work from home (around 22%, see Figure 2.11).

**Figure 2.11: Distance travelled to work**



Source: ONS Census 2001, Standard Tables, Workplace population.

<sup>11</sup> Census 2001 data only allows for analysis of 'business services' based on the broad sector groupings of financial intermediation and real estate, renting and business activities and therefore should only be used as a guideline to the situation in the finance and business services sector.

### 3. Sector Skills Issues

#### Regional Overview

Employment within the sector is forecast to grow in the short and medium term across the South East. An increasing supply of skills is required to meet this projected growth, especially in higher skill occupations.

The National Employer Skills Survey (NESS) offers some insight into sector **skill shortages** (a lack of suitably skilled people in the labour market) and **skill gaps** (skill deficiencies in the existing workforce).<sup>12</sup>

Around 15% of finance and business services employers in the South East have unfilled vacancies. Of these, almost half (47%) were considered to be hard to fill and over a third (35%) were considered to be skill shortage vacancies, where there was a shortfall of suitably qualified skilled people in the labour market.

Around 14% of the sector’s employers report skills gaps amongst their existing workforce. A lack of experience on the job is the cause of skill gaps most often highlighted by employers.

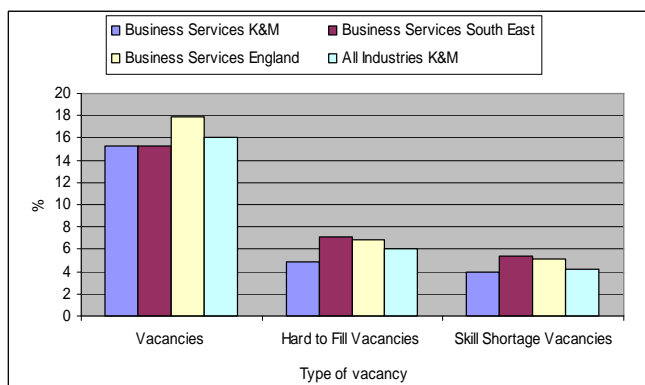
Half of the finance and business services workforce in the South East are intermediate skilled workers (50% have Level 2 and 3 qualifications), around 38% are high skilled and the remaining 12% have low level skills. This skills profile is higher than for all industries.

Around 76% of employers report funding or arranging job related training for employees over the past 12 months. This high proportion may be a consequence of the fact that high skilled workers are more likely to report that they have recently undertaken training.

#### Skill needs in Kent and Medway

Finance and business services employers are slightly less likely to report unfilled vacancies than employers in all industries as shown in Figure 3.1. Hard to fill vacancies are reported by around 5% of finance and business services employers in Kent and Medway (around 500 employers). This is very similar to the proportion of employers reporting hard to fill vacancies at a regional level but below the overall level for England (7%).

**Figure 3.1: Skill Shortages**



Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee.

<sup>12</sup> The NESS does not include the self-employed or businesses with only one employee.  
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Around 4% of finance and business services employers in Kent and Medway report skill shortage vacancies. This is marginally lower than the regional and national levels (5%) but the same as that in all industries in Kent and Medway.

The NESS also indicates that finance and business services employers reporting skill shortage vacancies are largely from the financial services (6%) and other business services sub-sectors (5%). In the real estate and property services (*Asset Skills*) sub-sector this drops to 1%.

*This difference may, in part, be due to the significant proportion of low skilled cleaning employees within the Asset Skills footprint.*

Skills gaps reported in the finance and business services sector are as common as those reported in all industries in Kent and Medway, as shown in Figure 3.2. However, this level is higher (17%) than the regional and national figures (both 14%).

Skills gaps are more often reported in the financial services sub-sector (23%) than in real estate and property services skills (11%) and other business services (19%). This reflects the pattern at regional and national levels.

**Figure 3.2: Skill Gaps (% of employers)**

	Kent and Medway	South East	National
Finance and business Services	17	14	14
Financial Services	23	26	20
Asset Skills	11	11	11
Other business services	19	14	14
All Industries	17	18	16

Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee.

Finance and business services employers within the South East are most likely to report that the impact of skills gaps is an increase in the workload for other staff (73%). However, they are less likely than employers across all industries to report that skills gaps create difficulties introducing new working practices (21% compared with 30%) or result in loss of business or orders to competitors (20% compared with 24%).

The most commonly cited cause of skills gaps in the finance and business services workforce is that staff lack experience and/or have recently been recruited (76% of employers with skills gaps).

**Figure 3.3: Skill gaps by occupation**

	Managers and senior officials	Associate professionals	Admin and secretarial
% of workforce with skills gap in occupation	11	13	27
% of workforce in occupation	23	19	24

Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee.

Figure 3.3 shows the incidence of skill gaps in the three largest occupational groups in the finance and business

services sector compared with the proportion of the workforce found in each occupation. Over a quarter (27%) of skills gaps identified by employers are related to administrative and secretarial occupations. The proportion of management skills gaps (11%) is significantly less than might be expected in relation to employment.

Over 40% of employers with skills gaps report that skills in particular need of improvement include technical and practical skills, problem solving skills, customer handling skills and oral communication skills.

**Employment Change**

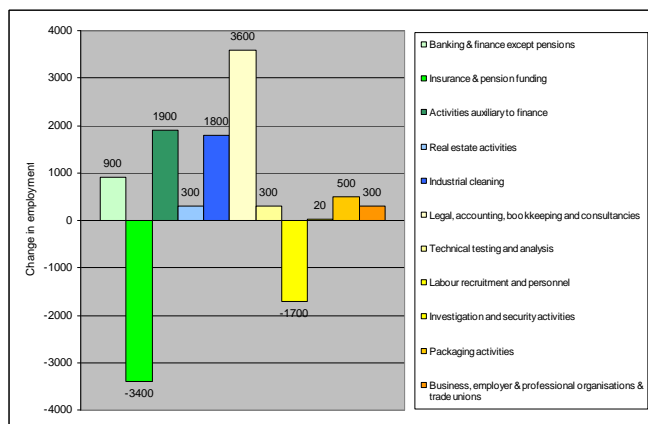
The ABI suggests that **finance and business services employment rose in Kent and Medway by 6% between 1999 and 2004** (a gain of 4,200 jobs) and in the South East by around 1% over the same period. The growth in Kent and Medway matches that at the national level for England.

Figure 3.4 shows how employment change differed between sub-sectors in Kent and Medway. There were around 600 fewer jobs in the financial services (FSSC) sub-sector in 2004 than in 1999 (3% decrease). This small net fall is composed of a decline in employment in insurance and pensions (overall loss of 3,400 jobs) offset by increases in financial services (approximately 2,800 additional jobs). Despite the fall, Kent and Medway performed well in comparison to the South East as a whole where the decrease was 13%. There was also a decline at the national level of 4%.

In the real estate and property services (*Asset Skills*) sub-sector, employment grew by 13% (approximately 2,100 jobs). Growth was comparable to both the regional and national level (15% and 11% respectively).

In the other business services sub-sector employment grew by 7% (approximately 2,700 jobs), despite a loss of around 1,700 jobs (10% decrease) in labour recruitment and personnel provision over the period. Although this growth was higher than the South East (4%) it was lower than the national level (12%).

**Figure 3.4: Employment change 1999-2004 by minor sub-sector**

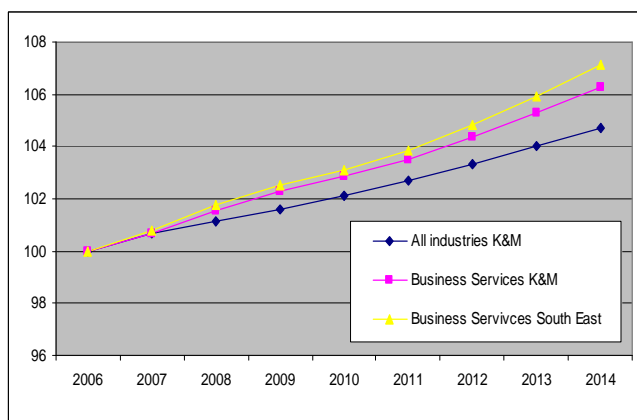


Source: ABI 1999 and 2004. Note: Figures do not include the self-employed.

Forecast data from Working Futures 2 suggests that **finance and business services employment in Kent and Medway will be around 6% higher in 2014 than in 2006**. Figure 3.5 indicates that employment in the sector, both in Kent and Medway and across the South East, is forecast to rise consistently over the next eight years. Second Edition 2006

All industries employment is also forecast to rise consistently over the period, though at a slightly lower rate (5% growth from 2006 to 2014).

**Figure 3.5: Forecast employment 2006-2014**



Source: IER/Warwick, Working Futures 2.

Figure 3.6 shows that employment is expected to rise in all but two occupational groups, administrative and secretarial and elementary occupations.

**Figure 3.6: Forecast employment by occupation**

Occupation	% change in employment 2006-2014	Estimated Jobs in K&M
Managers and Senior Officials	11	1900
Professional occupations	15	1800
Associate Professional and Technical	10	1400
Administrative and Secretarial	-10	-1900
Skilled Trades Occupations	11	100
Personal Service Occupations	22	300
Sales and Customer Service Occupations	17	800
Machine and Transport Operatives	12	<100
Elementary Occupations	-5	-400

Source: IER/Warwick University, Working Futures 2.

Employment in administrative and secretarial occupations is expected to decline by 10% (or 1,900 jobs). Job losses are also expected in elementary occupations amounting to 400 jobs (a 5% decline). In all other occupational categories employment is expected to grow by at least 10%. This equates to 4,100 new jobs in higher skilled managerial, senior, professional and technical occupations.

**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  
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at this level include basic literacy, numeracy and IT skills and a range of generic skills.

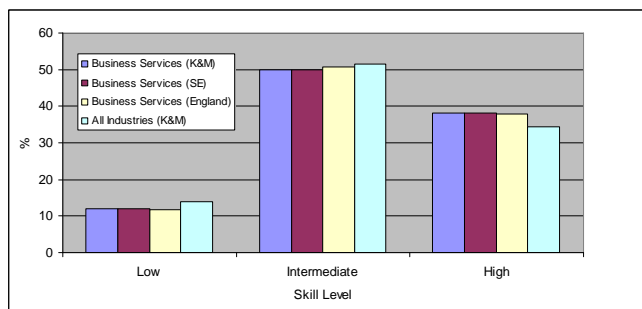
**Intermediate skill (NVQ 2-3).** Skill requirements in these occupations are often vocational or technical in nature. They may also require higher level generic skills including analytical and problem solving abilities.

**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.

In Kent and Medway 38% (or 35,400 people) of those working in the sector possess high level skills, reflecting the relative importance of higher qualifications in some sub-sectors. This proportion is higher than the all industries figure for Kent and Medway (34%) but is reflective of the sector's composition at both regional and national levels. The 50% proportion of workers with intermediate skills (or 46,600 people) is very similar to the all industries figure, but the proportion of workers with low skill levels (12% or 11,200 people) is lower than the all industries figure of 14%.

Around 7% of those working in the sector hold no formal qualifications (6,500 people) compared with 8% across all industries. The proportion of workers with no qualifications gives an indication of the likely extent of basic skills needs in the sector.

**Figure 3.7: Skill Levels – Broad Analysis**



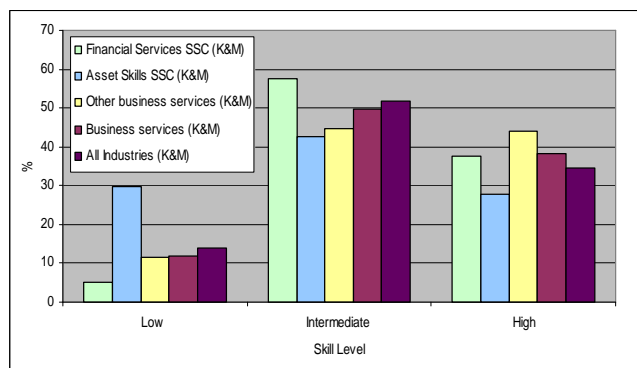
Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

A more detailed analysis by sub-sector is shown in Figure 3.8. The financial services (FSSC) sub-sector has the highest concentration of both high (44%) and intermediate skills (57%). Only 5% of the workforce in this sub-sector has low skills. There is, therefore, a clear importance for adequate intermediate skills provision for financial services (FSSC).

Within the real estate and property services (Asset Skills) sub-sector almost a third (30%) of the workforce have low skills. The occupational structure of this sub-sector (see Section 2) is the main reason for this. The proportion of workers with intermediate skills (43%) is lower than the all industries figure (52%).

The level of intermediate skills in the other business services sub-sector is slightly higher (45%) than in the real estate and property services (Asset Skills) sub-sector, but is still below the all industries figure and that for the financial services (FSSC) sub-sector. This sub-sector also has a lower proportion (11%) of low skilled workers than the all industries average (13%).

**Figure 3.8: Skill Levels – Sub-sector analysis**



Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

**Learning Provision**

With around half of the sector's workforce possessing intermediate skills, **Further Education (FE) and Work Based Learning (WBL) courses are particularly important sources of newly qualified staff.** However, not all those completing relevant courses will join the sector and new entrants to the finance and business services sector can come from a range of different backgrounds.

In 2004/05 **18,483 learners** were undertaking **Further Education courses** in areas related to the finance and business services sector in Kent and Medway (Figure 3.9).

**Figure 3.9: FE Provision 2004/05**

Area of Learning	Number of Learners	Level 1 and entry level	Level 2	Level 3	Level 4+	Other
Science and Mathematics (unclassified)	615	79%	8%	8%	0%	5%
Mathematics and Statistics	760	6%	84%	10%	0%	0%
ICT (Unclassified)	7,056	82%	14%	2%	<1%	2%
ICT for Users	4,451	65%	30%	2%	<1%	3%
Business, Administration and Law (unclassified)	1,353	19%	28%	4%	9%	40%
Accounting and Finance	1,445	15%	37%	29%	20%	<1%
Administration	994	15%	62%	20%	3%	<1%
Business Management	1,681	2%	49%	35%	14%	<1%
Marketing and Sales	128	0%	15%	25%	56%	3%
<b>Total Sector</b>	<b>18,483</b>	<b>53%</b>	<b>29%</b>	<b>9%</b>	<b>4%</b>	<b>5%</b>
All Industries	-	39%	27%	17%	2%	15%

Source: LSC – Kent and Medway ILR. Note 'other courses' are courses that do not fit in with the LSC priorities for funding qualifications strategy,

Over half (53%) of all learners studying finance and business services related courses were studying towards qualifications at Level 1 and entry level. This is higher than the all industries figure of 39%.

Looking at provision in more detail, the importance of ICT (unclassified and users) courses emerges. These courses alone account for 62% of all learners in the sector. Further, **courses offered at Level 1 and entry level in ICT account**

for almost half (47%) of all learners in the sector. These courses, in particular, have significant cross-sector application.

Overall 67% of learners following finance and business services related qualifications were female compared with 57% of all FE learners.

Figure 3.10 shows that 586 learners were enrolled on finance and business services related **Work Based Learning** qualifications in 2004/05<sup>13</sup> (5% of all learners). Of these learners almost two-thirds (64%) were studying at Level 2 and over a quarter (27%) at Level 3.

An even higher proportion of WBL programmes learners were female (78%) than with FE.

**Figure 3.10: WBL Provision 2004/05**

Area of Learning	No Learners	Level 1 and entry level	Level 2	Level 3	Level 4+	Other
Business administration, management and professional	586	3%	64%	27%	6%	0%
All Industries	-	4%	58%	24%	1%	14%

Source: LSC – Kent and Medway ILR. Note: Figures are a snapshot of learners as of January 2005 to take account of the fact that WBL provision is not governed by term dates.

Another route for workforce development within Kent and Medway is the *Profit from Learning* (PfL) initiative. This Government backed training initiative allows employers to access funded training as well as claim compensation for the time staff spend on the training<sup>14</sup>. Profit from Learning statistics for Kent and Medway reveal that 98 finance and business services sector employers participated in the PfL initiative, the majority of which were micro and small businesses (65).

Overall around 1,080 employees undertook training as part of the programme. Around 36% of learners undertook NVQ Level 2 qualifications and a further 5% undertook basic skills training.

Unlike both FE and WBL provision, the majority of learners following Profit from Learning courses were male (60%). However, this pattern is a consequence of a small number of larger (male dominated) security services related businesses' participation. Excluding the three (out of the total 98) largest security participants, analysis shows that the proportion of male learners drops to 46%.

Figure 3.11 shows that around 231 learners were undertaking finance and business services sector related courses with **Adult and Community Learning (ACL)** providers in Kent and Medway during 2004/05. As with ACL learning more generally, the majority of learners undertaking

finance and business services related courses were following entry or Level 1 qualifications (90%).

**Figure 3.11: ACL Provision 2004/05**

Area of Learning	No of Learners	Level 1 and entry level	Level 2	Level 3	Level 4+	Other
Business administration, management and professional	231	90%	10%	0%	0%	0%
All Industries	-	83%	13%	3%	<1%	<1%

Source: LSC – Kent and Medway ILR.

The vast majority of learners undertaking finance and business services related courses were female (81%).

An important priority in current government policy is developing a “**vocational ladder**” into employment for young people from the age of 14, from vocational GCSEs and Young Apprenticeships through Foundation and Advanced Apprenticeships to Foundation Degrees.<sup>15</sup>

Foundation Degrees are vocational Higher Education qualifications at Level 3-4. They aim to integrate academic and work based learning through close collaboration between employers, universities and FE colleges. Since 2003, the government has been working to expand the number and range of Foundation Degrees available. Some examples of Foundation Degrees on offer at Further Education and Higher Education institutions in Kent and Medway with relevance to the finance and business services sector include:

- Business and Management
- Accounting and Finance
- Business and Communications Technology

Most of the above Foundation Degrees can be studied as either full-time courses lasting two years, or part-time, over 3 years<sup>16</sup>.

### Current Training Levels

Almost a third (31%) of finance and business services workers report having undertaken job-related training in the previous 3 months compared with 29% of the workforce across all industries.

As in many sectors, highly skilled workers are more likely to receive work-related training. Figure 3.12 indicates that there is no significant difference in the proportion of recent work-related training between Kent and Medway, the South East and England as a whole.

<sup>13</sup> Figures are for January 2005 (Period 6 of the academic year) and provide a ‘snapshot’ of those in learning to take account of the fact that WBL does not follow term times. The number of learners has then been identified based on the highest qualification level of the learner. Where a learner’s highest level of learning is in business services, the learner has been included.

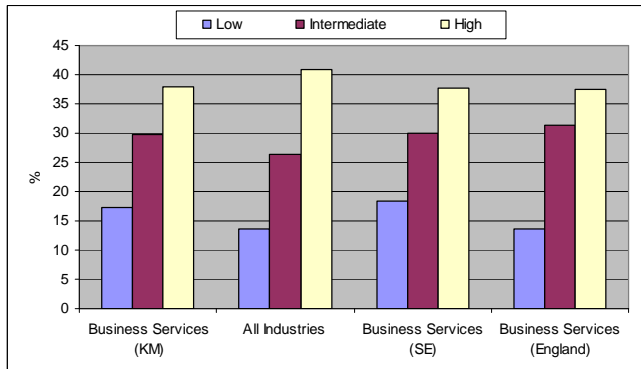
<sup>14</sup> The Profit from Learning initiative was launched in Kent and Medway in September 2003 as a pilot scheme. The programme was available to companies in the area up until 31<sup>st</sup> March 2006. Train 2 Gain has now replaced Profit from Learning.

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<sup>15</sup> Department for Education and Skills website – [www.dfes.gov](http://www.dfes.gov)

<sup>16</sup> UCAS website – [www.ucas.ac.uk](http://www.ucas.ac.uk)

**Figure 3.12: Job-related training in previous 13 weeks**



Source: LFS Spring 2005. Inferred data. Note: Figures include the self-employed.

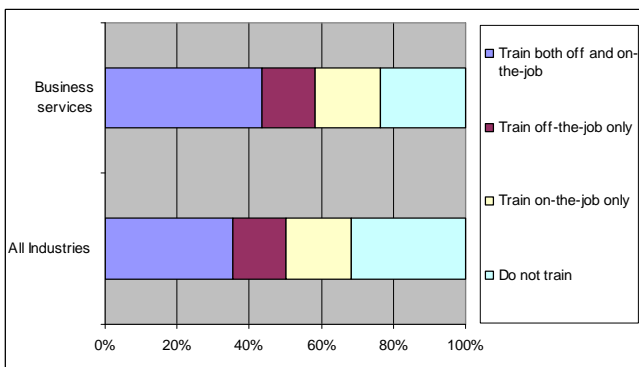
Over three-quarters (76%) of finance and business services employers in Kent and Medway report having funded or arranged training for their employees in the last 12 months. This is slightly higher than the average for all industries (68%), but is comparable with finance and business services employers in the South East (76%) and nationally (74%).

Employers in the financial services (FSSC) sub-sector are more likely to have funded or arranged training for employees (91%) than in the real estate and property services (72%) and other business services sub-sectors (74%). This is a pattern that is apparent at the regional and national level.

*The need to respond to the changing professional and legislative regulatory frameworks for many employers in the financial services (FSSC) sub-sector may account for the higher levels of training.*

Figure 3.13 shows the breakdown of training funded or arranged by employers in Kent and Medway. **Training that is both off and on-the-job is more common in the sector than across all industries** (reported by 43% of finance and business services employers compared with 35% of all employers).

**Figure 3.13: Type of training funded or arranged**



Source: NESS 2005. Note figures do not include the self-employed or businesses with only one employee.

Over half (54%) of finance and business services establishments in Kent and Medway identify that they have a training plan in place, which specifies in advance the level and type of training employees will need in the coming year. This is higher than the proportion found across all industries (41%). A higher than average proportion of finance and business services employers report having a budget for

training in place (43% compared with 30% across all industries).



## 4. Sector Prioritisation

In recent years the LSC has introduced a wide range of initiatives to improve the responsiveness of vocational learning provision to the needs of employers from all sectors. Nevertheless, the LSC has also sought to identify key industries and occupations where the allocation of additional resources and the development of a more bespoke 'employer offer' could make most impact.

In 2005, the LSC, in conjunction with SEEDA, undertook an exercise to formalise and update its process for identifying priority sectors in South East England. **The sector prioritisation balanced scorecard should not be used in isolation from other evidence and from taking a broad view of the data.**

The framework highlights real estate, renting and business services as a priority sector for both the South East and Kent and Medway (Figures 4.1 and 4.2) – see Methodology box overleaf. Principally its prioritisation is a result of its relative size and growth prospects, with high scores within both the economic scale and growth potential indicators.

**Figure 4.1: Sector Scorecard – Business Services SE**

Indicator	Measure	Financial Services (South East)	Real estate, renting and business activities (South East)	13 Industry Average
Economic Scale	Output (GVA) Share	6%	29%	7.7%
	Employment share	4%	19%	7.7%
	Relative empl. concentration (SE-UK)	0.88	1.21	1
Growth Potential	Productivity (GVA per employee)	£50,691	£58,537	£37,932
	Forecast empl. growth 2004-2014	7%	13%	7%
	% of employees with sub-level 2 qualifications	9%	17%	20%
Skill needs	% employees with level 2 or 3 qualifications	56%	37%	48%
	Hard to Fill vacancies as % total employment	1.0%	1.2%	1.3%
	<b>Score</b>	<b>3</b>	<b>14</b>	<b>6.4</b>

Source: South East Sector Prioritisation Framework 2006.

Note on scoring: Unshaded=0; Light green=1; Darker green=3.

Whilst the real estate, renting and business activities sector used in the prioritisation exercise includes elements of the *Asset Skills* footprint it also covers much of the other business services sub-sector.

**Figure 4.2: Sector Scorecard – Business Services KM**

Indicator	Measure	Financial Services (Kent and Medway)	Real estate, renting and business activities (Kent and Medway)	13 Industry Average
Economic Scale	Output (GVA) Share	5%	19%	7.70%
	Employment share	4%	13%	7.70%
	Relative empl. concentration (SE-UK)	0.96	0.66	1
Growth Potential	Productivity (GVA per employee)	£47,757	£46,260	£32,523
	Forecast empl. growth 2004-2014	7%	12%	6%
Skill needs	% of employees with sub-level 2 qualifications	9%	17%	20%
	% employees with level 2 or 3 qualifications	56%	37%	48%
	Hard to Fill vacancies as % total employment	1.00%	1.20%	1.30%
<b>Score</b>		<b>3</b>	<b>11</b>	<b>6.5</b>

Source: South East Sector Prioritisation Framework 2006

Notes: On scoring, Unshaded=0; Light green=1; Darker green=3. \*Skill needs figures are regional due to small local sample size

The real estate, renting and business activities broad sectors<sup>17</sup> total score of 14 ranks it as the highest of the 13 broad sectors in the South East. Financial services are ranked 11<sup>th</sup>.

The prioritisation project also created a regional skills needs indicator for individual Sector Skills Councils, although the specific measures used differed slightly.

Figure 4.3 shows both the financial services (*FSSC*) and real estate and property services (*Asset Skills*) sub-sector score on this indicator. Over a third of employees in the real estate and property services (*Asset Skills*) sub-sector have sub-level 2 qualifications. This is largely as a result of the composition of occupations in this sub-sector as described in Figure 2.10.

**Figure 4.3 Skills needs indicator for SSCs**

Indicator	Measure	Financial Services	Asset Skills
Skill needs	% of employees with sub-level 2 qualifications	9%	35%
	% employees with level 3 qualifications*	23%	17%
	% Businesses with Hard to Fill vacancies*	11.10%	4.30%
<b>Score</b>		<b>1</b>	<b>3</b>

Source: South East Sector Prioritisation Framework 2006.

Notes: On scoring, Unshaded=0; Light green=1; Darker green=3. \*indicates slightly different measure from main scorecards.

<sup>17</sup> Broad sector definitions are not equivalent to the Financial Services SSC and Asset Skills footprints

## Methodology

The revised **South East Sector Prioritisation Framework** scores broad industrial sectors and occupations on a range of economic indicators that measure relative importance to the LSC and partners in terms of three dimensions:

1. **Economic scale:** The indicators prioritise larger sectors which are more likely to require significant resource allocations
2. **Growth potential:** The indicators highlight growing sectors as more likely to support future regional competitiveness
3. **Skills and learning needs:** The indicators identify sectors with unmet skills needs and/or intermediate level skills needs where LSC provision can make most difference

For each dimension there are several measures, each given equal weight. Each indicator has been given a score as follows:

- |   |  |
|---|--|
| 0 | significantly below the average,                 |
| 1 | at or above the average,                         |
| 3 | significantly above average (1.5 times the mean) |

*For more details on the South East Sector Prioritisation Framework, please see the Overview paper.*

## 5. The LSC Offer

This paper has suggested that the finance and business services sector in general, and the financial services (FSSC) sub-sector in particular, relies to a significant extent on the supply of intermediate skills. Training funded and co-ordinated by the Learning and Skills Council in conjunction with *Financial Services Skills Council* and *Asset Skills* is of growing importance to the sector as a whole.

### The core offer

As many generic courses (especially in IT) are of interest to this sector the LSC core offer is of relevance with all seven colleges offering provision.

The LSC will continue to provide a wide range of learning opportunities for young people (aged 14-19) wishing to enter the finance and business services sector. This will give employers access to Level 2 and Skills for Life training for staff who do not hold qualifications at Level 2 or above (equivalent to 4 GCSEs A\*- C). This training is fully funded for eligible individuals.

Following a series of Employer Training Pilots (e.g. Profit from Learning) the LSC is also introducing a National Employer Training Programme (Train 2 Gain). This will give employers across all sectors access to free Level 2 training for staff who do not hold qualifications at Level 2 or above. The government has also pledged to match the offer for those who want to study full-time at college in order to gain equivalent qualifications.<sup>18</sup>

The LSC is also developing a national quality kitemark to recognise colleges that are responsive to local employer needs, building on standards such as Action for Business Colleges (A4BC) in the South East. Three colleges in Kent and Medway are accredited A4BC colleges (Canterbury, West Kent and Mid-Kent College).<sup>19</sup>

### Beyond the core

Specialist expertise and capacity in finance and business services skills provision will continue to be developed through Centres of Vocational Excellence (CoVEs). North West Kent College is a recognised CoVE for accounting and financial services.

Additionally, three colleges are involved in delivering finance and business services related Foundation Degrees (Mid, South and West Kent Colleges) in Kent and Medway.

### Sector Skills Agreements

Ensuring that employers have access to provision that meets their needs is one of the key priorities of the LSC. Therefore the LSC has a significant role to play in the development and delivery of Sector Skills Agreements which establish the demand for skills and how these skills will be supplied.

The development of a Sector Skills Agreement is a five stage process involving;

1. Assessment of current and future skills needs
2. Assessment of current provision
3. Analysis of gaps and weaknesses
4. Assessment of the scope for collaborative action
5. Development of an action plan

<sup>18</sup> DFES 2005. 'Skills: Getting on in Business, Getting on at Work' White Paper available at [www.dfes.gov.uk/publications](http://www.dfes.gov.uk/publications).

<sup>19</sup> LSC 2006 'Regional Statement of Priorities: South East Region.'

[www.lsc.gov.uk](http://www.lsc.gov.uk)

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The *Financial Services Skills Council* and *Asset Skills* are both currently working to produce Sector Skills Agreements in 2007.

The *Financial Services Skills Council* launched its *Skills Bill*, an 18 month programme of work, in March 2006. This will lead to the publication of a Sector Skills Agreement in the third quarter of 2007.

*Asset Skills* intend to publish their Sector Skills Agreement in January 2007. It will cover specific skills needs in the areas of housing, property, facilities management and cleaning.

Both Sector Skills Councils are currently developing accreditation schemes for workers, employers and training providers. Examples of these are shown in Figure 5.1.

**Figure 5.1: Current Accreditation Schemes**

<p><b>Financial Services Skills Council</b></p> <p><b>Accreditation of Training Excellence-Firms</b> Accredits financial services organisations training functions that can demonstrate that their investment in training adds value to the business.</p> <p><b>Accreditation of Training Excellence-Providers</b> Accredits providers that can demonstrate that their investment in training adds value to their clients business.</p> <p><b>FSSC Recognised Trainer</b> Recognises those individuals who operate as In-house trainers or sole traders or micro-businesses, offering training service to firms and providers.</p> <p><b>Accreditation of Learning Solutions</b> Accredits learning solutions, such as e-learning programmes, training courses and work books.</p>
<p><b>Asset Skills</b></p> <p><b>The Pathway Card</b> This scheme provides an electronic CV for cleaners and support staff in the cleaning industry and was launched by Asset Skills, British Institute of Cleaning Science (BICSc), Cleaning and Support Services Association (CSSA), supported by the British Cleaning Council (BCC) and powered by Purple Passport in September 2005. Over 3,000 applications had been made by the end of 2005.</p> <p>The card contains information on an individual's skills, qualifications and experience within the cleaning industry building upon the basic induction training that all Pathway Card holders will have undergone. As people progress through the cleaning industry, holders (and their employers) can progressively add detail to their own Pathway Card as relevant information comes to hand. A key element of the Pathway Card is that all the detail held in the Pathway Card data bank requires independent verification. These verification procedures are now in place and a nationwide bank of verifiers is now established.</p>



## Appendix I. Sector Description

### Finance and business Services Sector: SIC2003 Definition

#### Financial Services SSC

- 6511 **Central banking**  
Includes monetary intermediation of the Bank of England
- 6512 **Other monetary intermediation**  
Includes, banks and building societies
- 6521 **Financial leasing**  
Includes leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership, and the lessee's rental payments virtually cover the whole of the purchase price of the asset. The asset may or may not eventually be transferred
- 6522 **Other credit granting**  
Includes credit granting by non-deposit taking finance houses and other specialist consumer credit grantors, factoring, activities of mortgage finance companies, and other credit granting not elsewhere classified
- 6523 **Other financial intermediation not elsewhere classified**  
Includes activities of investment trusts, activities of unit trusts, security dealing on own account, activities of bank holding companies, activities of venture and development capital companies, activities of open-ended investment companies, activities of property unit trusts, and financial intermediation not elsewhere classified
- 6601 **Life insurance**  
Includes life insurance and life re-insurance institutions
- 6602 **Pension funding**  
Includes institutions providing retirement incomes
- 6603 **Non-life insurance**  
Includes institutions providing non-life insurance and non-life reinsurance
- 6711 **Administration of financial markets**  
Includes the operation and supervision of financial markets other than by public authorities including stock exchanges, other bodies that regulate or supervise the financial markets, exchanges for commodity future contracts and other commodity exchanges
- 6712 **Security broking and fund management**  
Includes fund management activities and security broking and related activities
- 6713 **Activities auxiliary to financial intermediation not elsewhere classified**  
Includes activities auxiliary to financial intermediation not elsewhere classified, independent financial advisors not specialising in insurance or pensions advice, mortgage brokers, bureaux de change, etc.
- 6720 **Activities auxiliary to insurance and pension funding**  
Includes activities involved in or closely related to insurance and pension funding other than financial intermediation, insurance agents, insurance brokers, insurance risk and damage evaluators, Lloyd's underwriting brokers, and managing and underwriting agents of Lloyd's syndicates

#### Asset Skills SSC

- 7011 **Development and selling of real estate**  
Includes development of real estate projects bringing together financial, technical and physical means to realise real estate projects for later sale whether for residential buildings or other real estate
- 7012 **Buying and selling of own real estate**  
Includes buying and selling of self owned real estate, apartment buildings and dwellings, non-residential buildings and land
- 7020 **Letting of own property**  
Includes letting of conference and exhibition centres, the letting and operating of self owned real estate such as apartment buildings and dwellings, other non-residential buildings, land and timeshare operations
- 7031 **Real estate agencies**  
Includes intermediation in buying, selling, renting and appraising real estate
- 7032 **Management of real estate on a fee or contract basis**  
Includes rent collecting agencies, facilities management, janitorial activities such as managing/offering activities ranging from facility operation, cleaning and maintaining the premises of a building, controlling the heating/ventilation/air conditioning systems and making minor repairs
- 7470 **Industrial cleaning**  
Includes traditional cleaning services, window cleaning services, disinfecting and exterminating services, specialised cleaning services, furnace and chimney cleaning services and cleaning activities not elsewhere classified

#### Other Business Services

- 7320 **Research and experimental development on social sciences and humanities**  
Includes systematic studies and creative efforts in research and development in social sciences and humanities (economics, psychology, sociology, legal sciences, linguistics and languages, arts, etc.)
- 7411 **Legal activities**  
Includes activities of patent and copyright agents, barristers at law, solicitors, other legal activities not elsewhere classified
- 7412 **Accounting, book-keeping and auditing activities; tax consultancy**  
Includes accounting and auditing activities, book-keeping activities, tax consultancy
- 7413 **Market research and public opinion polling**

- Includes investigation into market potential, acceptance and familiarity of products and buying habits of consumers for the purpose of sales promotion and development of new products including statistical analyses of the results and investigation into collective opinions of the public about political, economic and social issues and statistical analysis thereof
- 7414 **Business and management consultancy activities**  
Includes public relations activities, financial management, general management consultancy activities, and business and management consultancy activities not elsewhere classified
- 7415 **Management activities of holding companies**  
Includes activities of managing holding companies primarily engaged in holding the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions and activities of head offices, centralised administrative offices and the like that administer, oversee and manage other units of the company or enterprise and that normally undertake the strategic or organisational planning and decision-making role of the company or enterprise
- 7430 **Technical testing and analysis**  
Includes measuring related to cleanness of water or air, measuring potential pollution such as smoke or waste water, testing activities in the field of food hygiene, including food production, strength and failure testing, testing of calculations for building elements, certification of ships, aircraft, motor vehicles, pressurised and periodic road safety testing of motor vehicles
- 7450 **Labour recruitment and provision of personnel**  
Includes personnel search, selection referral and placement in connection with employment supplied to the potential employer or to the prospective employee, executive search and placement activities (head-hunters and labour contracting activities:
- 7460 **Investigation and security activities**  
Includes investigation activities, activities of private investigators, surveillance, guard and other protective activities, consultancy in the field of industrial, household and public service security including security screening and security shredding of information on any media
- 7482 **Packaging activities**  
Includes packaging activities, on a fee or contract basis whether or not this involves an automated process
- 7485 **Secretarial and translation activities**  
Includes stenographic and mailing activities, envelope addressing, stuffing, sealing and mailing, mailing list compilation, etc., including for advertising material, translation and interpretation and proof-reading
- 9111 **Activities of business and employers organisations**  
Includes activities of organisations whose members' interests centre on the development and prosperity of enterprises in a particular line of business or trade, including farming, or on the economic growth and climate of a particular geographical area or political subdivision without regard for line of business. Included are activities of federations of such associations. The main services supplied involve dissemination of information, representation before government agencies, public relations and labour negotiations
- 9112 **Activities of professional organisations**  
Includes activities of organisations whose members' interests centre chiefly on a particular discipline or professional practice or technical field. Included are activities of associations of specialists engaged in scientific, academic or cultural activities such as writers, painters, performers of various kinds, journalists and the like. The main services supplied involve the dissemination of information, the establishment and supervision of standards of practice, representation before government agencies and public relations and the activities of learned societies
- 9120 **Activities of trade unions**  
Includes activities of associations whose members are employees interested chiefly in the representation of their views concerning the salary and work situation and in concerted action through organisation. This involves the activities of single plant unions, of unions composed of affiliated branches and of labour organisations composed of affiliated unions on the basis of trade, region, organisational structure or other criteria

## Appendix II: Specialist Occupations Finance and Business Services

### 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 in accordance with bank or building society policy;
- promotes financial services, establishes contact with the local business community and professional firms;
- preparing general reports and briefs on more complex cases for senior management.

### 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;
- advises on the relative merits of pension schemes, insurance policies and mortgages that best meet the needs of clients given their personal circumstances;
- undertakes administrative duties on behalf of clients;
- identifies and attracts new clients by arranging visits and explaining the benefits of financial products.

### 2423 MANAGEMENT CONSULTANTS, ACTUARIES, ECONOMISTS AND STATISTICIANS

Workers in this unit group advise industrial, commercial and other establishments on a variety of management, personnel, computing and technical matters, and apply theoretical principles and practical techniques to analyse and interpret data used to assist in the formulation of financial, business and economic policies.

Entry is most common with a degree or equivalent qualification, but is possible with other academic qualifications. Professional qualifications are available and mandatory for actuarial occupations.

#### TASKS

- assesses the functions, objectives and requirements of the organisation seeking advice;
- identifies problems concerned with strategy, policy, markets, organisation, computing facilities, procedures and methods;
- determines the appropriate method of data collection and research methodology, analyses and interprets information gained and formulates recommendations;
- advises governments, commercial enterprises, and other clients;
- addresses seminars, conferences and the media to present results of research activity or to express professional views

### 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 and updates files;
- issues application forms, policy documents, reminders, claims forms and other standard documentation;
- performs general clerical duties to support senior staff.

### 2411 SOLICITORS AND LAWYERS, JUDGES AND CORONERS

Advises and acts on 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 requires a qualifying law degree/postgraduate diploma. Entrants then undertake 1 yr of academic training and complete up to 4 yrs 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.

#### TASKS

- become acquainted with facts of a case, advises clients on the basis of legal knowledge, research and past precedent
- drafts pleadings and questions in preparation for court cases, presents evidence to the judge and jury in court, cross examine witnesses and sum up
- undertakes legal business on behalf of client and acts as trustee/executor if required;
- instructs counsel in higher and lower courts, pleads cases in lower courts
- hears, reads and evaluates evidence, instructs/advises jury on points of law etc
- conducts trials according to rules of procedure, announces verdict and passes sentence, awards costs and damages.

### 3532 BROKERS

Deal in commodities, stocks, shares and foreign exchange on behalf of clients or on own account, broker insurance and reinsurance, and buy and sell shipping and freight space.

There are no formal academic requirements although many employers require entrants to possess a degree or equivalent qualification. 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

- advises client on suitability of insurance schemes and places insurance for client;
- discusses buying/selling requirements of client and gives advice accordingly;
- analyses information concerning market trends for commodities, financial assets and foreign exchange, advises client/employer on the suitability of a particular investment;
- records and transmits buy/sell orders for stocks, shares and bonds, calculates transaction costs;
- arranges for the production of auction catalogues, fixes reserve prices, attends auction, bids/negotiates on behalf of client
- obtains cargo space, fixes freight charges and signs and issues bills of lading;
- collects freight charges from client

**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 candidate 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 Level 2, 3, 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.

**3544 ESTATE AGENTS, AUCTIONEERS**

Arrange for the valuation, sale, purchase, rental and leasing of property on behalf of clients.

Entry is most common via membership of the Professional Society for Valuers, Auctioneers and Estate Agents. Entrants to professional training possess GCSEs/S grades, an NVQ/SVQ at Level 2, an Intermediate GNVQ/GSVQ Level II and/or relevant experience. Off- and on-the-job training is taken over a two year period.

**TASKS**

- discusses client's requirements and may advise on the purchase of property/land
- conducts/arranges for structural surveys of properties and undertakes necessary valuations of property/land;
- advises vendors and purchasers on market prices of property, accompanies clients to view property;
- markets the property on behalf of the vendor, prepares written information and press advertisements;
- negotiates land/property purchases, sales, leases or tenancy agreements, arranges legal formalities with solicitors, building societies and other parties;
- makes inventories of property for sale, advises vendor of suitable reserve price, issues catalogues, conducts auction, notes bids and records sale.

**9231 WINDOW CLEANERS**

Window cleaners wash and polish windows and other glass fittings.

No academic qualifications are required. On-the-job training may be available in larger firms. NVQs/ SVQs in Cleaning: Windows, Glass and Façade Surfaces at Level 2 are available.

**TASKS**

- secures ladders and other equipment to gain access to glass;
- selects appropriate cleaning or polishing implement;
- washes and polishes glass with brushes, cloths, water, solvents and squeegees.

## Appendix III: Glossary

### Glossary of Abbreviations

<b>ABI</b>	Annual Business Inquiry
<b>CITB</b>	Construction Industry Trading Board
<b>CoVE</b>	Centres of Vocational Excellence
<b>DfES</b>	Department for Education and Skills
<b>E2E</b>	Entry to Employment
<b>EDIMS</b>	Equality and Diversity Impact Measures England
<b>ESOL</b>	English for Speakers of Other Languages
<b>ETP</b>	Employer Training Pilot
<b>FE</b>	Further Education
<b>GCSE</b>	General Certificate of Secondary Education
<b>GNVQ</b>	General National Vocational Qualifications
<b>GVA</b>	Gross Value Added
<b>HE</b>	Higher Education
<b>HEFCE</b>	Higher Education Funding Council for England
<b>HNC</b>	Higher National Certificate
<b>HND</b>	Higher National Diploma
<b>ICT</b>	Information and Communications Technology
<b>ILR</b>	Individual Learner Records
<b>JSA</b>	Jobseekers Allowance
<b>KCC</b>	Kent County Council
<b>KS3</b>	Key Stage 3
<b>LAD</b>	Local Authority District
<b>LFS</b>	Labour Force Survey
<b>LSC</b>	Learning and Skills Council
<b>LSCKM</b>	Learning and Skills Council Kent and Medway
<b>NEET</b>	Not in Education, Employment or Training
<b>NESS</b>	National Employer Skills Survey
<b>NETP</b>	National Employer Training Pilot
<b>NUTS</b>	Nomenclature of Territorial Units
<b>NVQ</b>	National Vocational Qualification
<b>ODPM</b>	Office of the Deputy Prime Minister
<b>ONS</b>	Office for National Statistics
<b>PfL</b>	Profit from Learning
<b>PLASC</b>	Pupil Level Annual Schools Census
<b>SEEDA</b>	South East England Development Agency
<b>SfL</b>	Skills for Life
<b>SFR</b>	Statistical First Release
<b>SSA</b>	Sector Skills Agreement
<b>SSC</b>	Sector Skills Council
<b>SSEA</b>	Sector Skills Development Agency
<b>StAR</b>	Strategic Area Review Technology
<b>UA</b>	Unitary Authority
<b>WBL</b>	Work Based Learning

## Glossary of Terms

### Annual Business Inquiry Action for Business Colleges

Annual Survey of businesses undertaken by ONS. Flagship programme supported by the South East region's six LSC's and SEEDA, as part of the Workforce Skills Programme.

### Basic Skills CoVE

Numeracy, Literacy and ESOL.  
Centres of Vocational Excellence – Colleges with specialist provision and facilities aimed at meeting needs of employers primarily to tackle level 3 skills in technical, craft and supervisory roles.

### IER/Warwick University (WF II)

Institute of Employment Research at the University of Warwick employment forecast model (based primarily on LFS and ABI)

### Labour Force Survey

Quarterly survey of labour workforce

#### Level 1

4 - 5 GCSE passes grades D – G or NVQ 1

#### Level 2

5 GCSE grades A\* - C, O-Level or NVQ 2

#### Level 3

A Level or NVQ 3 equivalent

#### Level 4

Higher Education: first and sub-degree

HNC, HND, NVQ4

#### Level 5

Postgraduate degree or NVQ 5

### Literacy

Ability to read and write

### National Employer Skills Survey

NESS is an annual Survey of Employers that allows comparative data analysis at local, regional and national levels with respect to training activity, vacancies, hard to fill vacancies and skills gaps. The survey is funded by the LSC in partnership with the SSDA and DfES, and includes a sample of around 75, 000 employers nationally with local sample boosts.

Ability to understand and use numbers.

### Numeracy

### Sector Skills Agreement

An agreement between employers (represented by a Sector Skills Council) and key funding partners (LSC) to meet existing and future training needs. Agreements will enable the government, employers, employee representatives and organisations who plan, fund and support education and training to tackle the provision of skills around a common set of objectives.

### Sector Skills Councils

Currently 25 councils representing approximately 85% of the economy.

### Skills Gaps

Exist where those in work in an organisation do not have the necessary skills to perform their jobs to a satisfactory standard.

### Skills Shortages

Exist where there is insufficient supply of skilled labour among the working population.

### Train to Gain

Replaced the Employer Training Pilot (marketed in Kent and Medway as Profit from learning).



## Useful Publications

‘Kent Economic Report’, Kent County Council

‘Kent Prospects’, Kent County Council

‘Learning and Skills Assessment’, Learning and Skills Council for Kent and Medway

## Useful Links

Learning and Skills Council: [www.lsc.gov.uk](http://www.lsc.gov.uk)

Learning and Skills Council for Kent and Medway:  
[www.lsc.gov.uk/kentandmedway](http://www.lsc.gov.uk/kentandmedway)

Department for Education and Skills: [www.dfes.gov.uk](http://www.dfes.gov.uk)

South East England Development Agency: [www.seeda.co.uk](http://www.seeda.co.uk)

Sector Skills Development Agency: [www.ssda.org.uk](http://www.ssda.org.uk)

## Contact Information

This publication is available from the Council’s website:

[www.lsc.gov.uk/kentandmedway](http://www.lsc.gov.uk/kentandmedway)

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