

SW REGION SECTOR SUMMARY

FINANCIAL SERVICES

SECTOR FOOTPRINT

Financial Services Skills Council (FSSC) is the Sector Skills Council for financial services including banks, building societies, leasing, investment and unit trusts and venture capital, insurance, administration of financial markets, pension funding, financial advisers, unit trust companies, fund managers, asset managers, stockbrokers, actuaries, loss adjustors and fund management (www.fssc.org.uk).

FINANCIAL SERVICES SKILLS LABOUR MARKET

Source: FSSC briefing, Skills Balance Sheet 2006/07, SSDA Regional Fact Sheet, NES 2005, FSSC 'UK Financial Services Five years forward'; SLIM SW Skills Balance Sheet, June 2008; BEM Econi, June 2008, NESS 2007 data derived from LSC SW research team.

Sector size & business unit size

- This is one of the largest industries in the UK contributing 8.7% of national GVA
- The sector represents 5.3% of the SW economy in 2005
- There are 80,000 employees in the SW
- The sector represents 4.1% of SW employment and 6.3% of all GVA
- There are 2,740 firms and 4,330 workplaces in the SW region
- Forecasts of employment growth suggest that employment will be stable and 34,000 jobs will need to be filled due to replacement demand (people leaving the sector and retiring).

Profile of the Workforce

- This sector has comparatively small proportion of its workforce aged 50 and over at 15% compared to a regional average for all industries of 30%.
- Managers and senior officials (26%), associate professional and technical (22%) and administrative (33%) occupations employ 80% of the sector's workforce.
- Employment within administrative and secretarial occupations is forecast to decline by 12% by 2014.
- Professional and sales roles are expected to increase by 25% by 2014.
- The SW has the highest concentration of staff working in life insurance and pensions.

Vacancies & recruitment

- Employing establishments within Financial Services in the SW reported 1,625 vacancies in 2007, accounting for 3% of the total number of vacancies in the region.
- Of those vacancies 33% were hard-to-fill, in line with overall average for the SW.
- In 2007 there were 350 vacancies that were as a result of skills shortage accounting for 22% of all vacancies. Skills shortage vacancies also account for 67% of all hard-to-fill vacancies, higher than the SW average of 62%.
- 17% of Financial Services establishments in the SW reported skills gaps amongst their existing workforce, in line with the regional average.

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Qualifications in the Workforce

- 35% of the workforce hold their highest qualification at Level 4+ (31% for the SW) and 22% at Level 3 (17%).
- 3% are without qualifications compared to 8% regionally.
- 82% of Financial Services establishments in the SW provided on or off the job training in the 12 months prior to the NESS07 survey, higher than the average for all industries as a whole in the SW (68%) and this highest level of any SSC outside of the public sector.

KEY DRIVERS AND ISSUES

Source: FSSSC briefing – 'The Skills Bill', Skills Balance Sheet June 2008.

- The sector's output will continue to grow over the next 5 years, averaging 2.2% in the SW
- Main skills gaps reported by employers are management skills (48%), technical and practical skills (44%) and sales and customer services (34%)
- With only 16% of the financial services workforce under 25 years old, raising awareness of, and interest in, the industry is a must for the region
- Overall employment levels will remain stable
- The stream of current regulatory changes to the industry, and especially the financial advice, insurance and mortgage intermediary sub-sectors, has prompted a spate of mergers and acquisitions in the area as older advisers and brokers leave the industry. SMEs are also moving towards network membership in an effort to reduce their compliance workload. These developments will continue to change the face of the industry over the next few years, however this also presents an opportunity for firms to engage in apprenticeship schemes as the industry recognises the need for new blood
- The most significant increase in demand will be for individuals possessing qualifications at Level 3 and above
- With only one exception, there are no preferred Level 2 qualifications for the sector - the sector is expected to require fewer people possessing Level 2 qualifications
- Roll out of the National Financial Services Skills Academy (NSA-FS) has reflected the concentration of financial services activity in the region.
- At the request of the industry, the FSSC has developed training accreditation schemes and will promote accredited providers only
- Only FSSC accredited providers will deliver provision via NSA-FS sites
- Majority of sector employers have no comprehension of Foundation Degrees, 14-19 or Apprenticeships
- There are 525 examinations currently in the regulatory environment, this needs rationalisation
- The sector has very little dialogue with FE colleges. The FE offer needs to be better suited to the needs of the sector.

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NSAS/COVES /14-19 DIPLOMA/HE (NATIONAL SKILLS ACADEMIES AND CENTRES OF VOCATIONAL EXCELLENCE)

Source: NSA-FS Business Plan

The National Financial Skills Academy (NSA-FS) has been approved and opened in 2006, with centres in London, Manchester, Leeds and Norwich. Further centres will be developed in other areas, to include the SW in 2008/09.

The NSA-FS offer:

The industry has a recognised need for a continuous programme to update the skills of our workforce. To respond to these demands, there are five proposed strands to the Skills Academy's work:

- New entrant training: providing training and education to industry standards through school, college and employer-based routes, to equip potential staff with the skills, knowledge and values needed by employers in financial services
- Skills development: delivering cost-effective, up-to-date training to give existing staff the competencies needed to meet changing market needs and emerging regulatory requirements
- Talent development: creating structured opportunities for employees to undertake continuing personal and professional development, devised in partnership with employers and professional bodies
- Innovation: developing innovative approaches to give a good return on employers' investment in training and provide rapid responses to emerging skills challenges. The National Skills Academy will develop new practice in the delivery of training and promote provider, teacher and skills broker expertise
- Awareness raising: delivering information about the importance of the industry, about careers in the sector and about financial capability, to ensure that the best people think seriously about careers in this vital sector.

The NSA-FS will offer full time qualifications at Levels 2 and 3 in schools and colleges. This is likely to include involvement in the development of the new Business, Administration and Finance Specialised Diploma for 14–19-year-olds, which goes live in 2009

Employers signing up to the proposal include Nationwide Building Society, Norwich Union, Merrill Lynch, Cattles plc, Moneyfacts, Targetfollow Ltd and YFM Group.

FSSC is working with the LSC to develop the SW NSA-FS provider network based on jointly agreed standards

KEY EMPLOYERS

Bournemouth/Poole

Barclays International, JP Morgan Chase, LV=, RIAS, Standard Life Healthcare, Teachers Provident, Nationwide Building Society, Mortgage Intelligence, Regency Mortgage Corporation, Bank of New York, Teachers Building Society.

Wiltshire

Friends Provident - Salisbury, James Hay Pensions, Zurich, Nationwide Building Society, Openwork, Pioneer Mutual, Close Bros Military Services.

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Gloucestershire

Stroud and Swindon Building Society, Cheltenham & Gloucestershire, Chelsea Building Society, Endsleigh Insurance, Vertex, St James's Place, Union of Finance Staff, Fortis Group, Ecclesiastical Insurance,.

Bristol

AXA Sun Life, Clerical Medical, Direct Line, Unum, Jelf, Whitechurch Securities, Burns Anderson, Falcon Group, Institute of Financial Planning, Profund Solutions, Hargreaves Lansdowne, Merchants Investors Assurance, Lloyds TSB Telephone Banking, DAS Legal Protection, Computershare, Bank of Ireland.

Devon & Cornwall

iimia, Friends Provident, Worldwide Financial Planning, Lighthouse Express.

A regional employer forum meets 3 or 4 times per annum.

LOCAL & REGIONAL PROJECTS/NETWORKS

- BDPS: pre-employment project with RIAS
- 260 Apprentices involved in Advice Skills Project to combine technical skills with soft skill qualifications that has delivered the new Financial Services Apprenticeship Frameworks.
- HE development work underway with HERDA (Pathfinder Project)

SUMMARY OF SUPPLY

Source: LSC IPOL data (ILR extract)

*Analysis of further education and work based data by Sector Skills Council footprint is not yet available for 2006/07. The data presented below relates to Train to Gain funded activity. The qualifications listed are generic, and therefore cannot be reliably attributed to a specific sector. However, it is likely that some of this activity will relate to this sector.

Not aligned to a particular SSC Starts 06/07	
Certificate in Adult Literacy*	124
Certificate in Adult Numeracy*	89
NVQ in Business and Administration*	391
NVQ in Customer Service*	834
NVQ in Management*	88
NVQ in Team Leading*	361
Total Starts	1,887

SUMMARY OF DEMAND

The Sector Skills Agreement (known as 'Skills Bill') can be found on the FSSC website.

The FSSC is currently working with employers and educators on the development of new standards and accreditation for the industry. The focus of this work is to alter industry qualifications from 'approved' to 'appropriate' examinations for certain regulated activities.

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This is also aimed to ensure that courses are modularised and more focused to the needs of the employee and the firm to incorporate both practical as well as technical skills.

Learning aim title	AB	Level	Comments
Award for Introduction to investment	SII	3	
Award in Insurance, legal and regulatory	CII	2	tech cert for Retail Fin Services Apprenticeship
Award in Providing Financial Advice	EDEXCEL	3	
BTEC National Award in Personal and Business Finance	EDEXCEL	3	
Certificate for Financial Advisers (CeFA)	IFS	3	tech cert for Advising on Financial Products Adv Apprenticeshi
Certificate in Corporate Finance	SII	3	
Certificate in Equity Release	CII	3	
Certificate in Financial Administration	CII	3	tech cert for Retail Fin Services Adv Apprenticeship
Certificate in financial Planning	CII	3	tech cert for Advising on Financial Products Adv Apprenticeshi
Certificate in Financial Planning and Long-Term Care Insurance	CII	3	tech cert for Advising on Financial Products Adv Apprenticeshi
Certificate in financial Studies (CeFS)	IFS	3	
Certificate in Insurance	CII	3	tech cert for Retail Fin Services Adv Apprenticeship
Certificate in Investment Administration (IAQ)	SII	3	tech cert for Retail Fin Services Adv Apprenticeship
Certificate in Investments	SII	3	
Certificate in Mortgage Advice	CII	3	tech cert for Advising on Financial Products Adv Apprenticeshi
Certificate in Mortgage Advice and Practice (CeMAP)	IFS	3	tech cert for Advising on Financial Products Adv Apprenticeshi
Certificate in Regulated Equity Release (CeRER)	IFS	3	
Diploma in financial studies (Dip FS)	IFS	3	
UKSIP Investment Management Certificate (IMC)	UKSIP	3	
Diploma in Introduction to Financial Services		Full L2	Under development
NVQ in Retail Financial Services		Full L2	NVQ for Retail Financial Services Apprenticeship
NVQ in Providing Financial Advice	EDEXCEL	Full L3	NVQ for Advising on Financial Products Adv Apprenticeship
NVQ in Retail Financial Services	EDI C&G	Full L3	NVQ for Retail Financial Services Adv Apprenticeship

- Target groups are those in customer facing roles within the sector, new entrants, employees in their first year within financial services and returners to work, whether new to the sector or not.
- Regional baselines do not yet exist, but planned growth in total learner numbers is listed below. SW estimates based on regional share of workforce indicated by () with the demand clustering in the north and east of the region:

2006-07 : 2,700 (97)
 2007-08 : 7,500 (270)
 2008-09 : 14,700 (530)
 2009-10 : 17,500 (630)
 2010-11 : 18,000 (648)

- New Apprenticeship frameworks are now available:
 - Apprenticeship in Retail Financial Services
 - General Insurance
 - Retail Banking

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- Advanced Apprenticeship in Advising on Financial Products
 - Financial Advice
 - Mortgage Advice
 - Long Term Care Insurance Advice
- Advanced Apprenticeship Retail Financial Services
 - General Insurance
 - Investment Administration
 - Retail Banking
 - Long Term Assurance
- New Foundation Degree framework will be available in 2007 to provide more flexible arrangements, for example:
 - in house and external training models included
 - communication/analytical/IT skills included
 - achieved qualifications can earn credit
- 14-19 Diploma in Business, Administration & Finance available from 2009.