

# FINANCIAL SERVICES & INSURANCE SECTOR

## A Skills Plan for New Anglia

**Putting skills at the heart of building  
a competitive and sustainable  
local economy**

**May 2018**

### **Background Context**

The Financial Services and Insurance Sector Skills Plan has been developed with the sector in Norfolk and Suffolk, working alongside the New Anglia Local Enterprise Partnership, the New Anglia Skills Board and supported by SkillsReach.

SkillsReach was contracted to facilitate and prepare eight sector skills plans for the New Anglia LEP priority sectors. The project was commissioned by the Education and Skills Funding Agency, in partnership with New Anglia LEP, and funded through the European Social Fund. Each Sector Skills plan and supporting Data Pack has been developed in collaboration with local employers and other stakeholders.

The Sector Skills Plan has been developed in partnership with a number of local Financial and Insurance employers.

The New Anglia Skills Board places employers at the centre of decision making on skills in Norfolk and Suffolk to ensure the skills system becomes more responsive to the needs of employers, residents and the future economy.

SkillsReach is an established East of England-based strategic skills consultancy with an associate project team with extensive experience of developing skills plans.

## Executive Introduction

Welcome and introduction to the Skills Plan from the Skills Board sponsor...

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## Executive Summary

Over 2.2 million people work in financial and related professional services across the UK, representing around 7% of the working population. Around two-thirds of people in employment in the industry work outside London. For New Anglia, in terms of Gross Value Added (GVA), the Financial Services and Insurance sector in 2015 was worth approximately £2.14bn, which equates to just under seven per cent of the total New Anglia economy, which is an increase of £120m on 2010. In total the sector currently employs 29,200 people across the New Anglia area.

New Anglia has two nationally significant financial service sector 'clusters' in Norwich and Ipswich. Around three-quarters of those in financial services employment in the Norwich and Ipswich areas, work within the insurance sector. The general insurance sub-sector accounts for the bulk of these jobs. Norwich has been a base for financial industries for over 200 years, boasting a financially-literate, highly-skilled and stable workforce. Ipswich has a cluster of large insurance firms, and other local and national companies- including accountancy, financial planning and advice and banking. There are also niche markets around marine insurance linked to the county's ports, farm and crop insurance and thatched property insurance in rural areas, plus a host of small financial service businesses.

A key priority raised by employers across all aspects of the sector was developing service standards and professionalism overall. Employers felt that the sector should be positioned as offering careers of choice, with clarity around education and workforce development options that supported the progression towards a professional role. Furthermore, that the traditional academic learning pathway- (including post-graduate options, alongside current and emerging vocational training)- should be clearly explained and made accessible in order to maximise the overall professional standing of the sector. The Banking Standards Board is one key organisation nationally that is mobilising employers to develop responsibly and professionally to operate at a highly competent level- championing skills as a backbone of quality.

### What A Skills Plan Is For

Skills Plans are being produced in response to the recognised key employment sectors for Norfolk and Suffolk. The purpose of a skills plan is to ensure that businesses within these sectors are able to benefit from an appropriately skilled, productive and readily available workforce. We recognise how important the quality of the workforce is for business competitiveness and for creating sustainable jobs and careers.

The skills plans capture meaningful action to make a difference. For this- Financial Services and Insurance Sector Skills Plan, we have defined the following key elements:

- i. **Developing employer leadership across New Anglia's two key clusters- Norwich and Ipswich-** Employers welcomed the opportunity to develop close business networks across New Anglia's two key concentrations of the sector. Furthermore employers expressed the importance of working together to support the economic and social wellbeing across the area- as a 'social partnership'. A cluster model was favoured by the businesses consulted, as based on the evolving Norwich model- it is able to draw in cross-sector areas, such as links to

the professional, legal and digital tech sectors, without losing the local focus across both counties. ***Co-ordinating the business community skills voice will provide an underpinning 'enabling' role across all of the key interventions in the skills plan.*** Furthermore, by implementing an employer led schools' engagement programme, enterprise engagement and enrichment will help drive the quality of new entrants with the right level of sector-information, gain 21<sup>st</sup> century 'soft skills', can support digital tech capability, (which is increasingly important given digital automation across key parts of the sector) and provide young people with quality employer encounters.

- ii. **Developing a Level 4 apprenticeship offer, with a focus on general insurance services-** Apprenticeship outcomes in general for the financial services and insurance were underperforming compared to national and regional outcomes for the same sector and other key sectors. Apprenticeship training was typically limited locally to level 3 pathways. For general insurance in particular evidence captured highlighted that businesses have a steady, ongoing recruitment demand that would benefit from a Level 4 option – especially in light of likely increased demand due to the Apprenticeship Levy.
- iii. **Developing and communicating a vocational and academic qualification and training 'roadmap' for the sector: from foundation to chartered-** Both vocational and academic pathways into careers within the sector hold equal value; however employers are concerned that the stages and options are not well known and are impacting on the flow of new entrants into the sector. Given the expected overall demand of 14,000 new entrants- the need for clarifying the career roles from entry through to chartered and the learning activity involved at each stage- will help improve engagement and the overall labour market.
- iv. **Securing the availability of local post-graduate accredited professional training-** Given the national recognition of the sector's value and size- there are no current accredited post-graduate options to support CPD for the key industries within the sector. Employers and employees have to access postgraduate provision in other parts of the UK. This in turn limits the progression towards professional status and the overall value of the sector as a hub of excellence.

The skills plan expands these five areas, as key interventions- demonstrating the evidence, defining the rationale, clarifying the action, leadership, timing and support resources- for delivery.

## Overview of the Financial Services and Insurance Sector

Over 2.2 million people work in financial and related professional services across the UK, representing around 7% of the working population. Around two-thirds of people in employment in the industry work outside London. Overall, 21 towns and cities in the UK each have more than 10,000 people in employment in the industry. Financial and related professional services contributed £176bn to the UK economy in 2015. This represents 10.7% of total GVA.

An overview provided by the Financial Conduct Authority (FCA)<sup>1</sup>, which is the conduct regulator for over 56,000 financial service firms and markets in the UK, demonstrates the scale of access the UK has across the sector's key services of- lending, investment, pensions, insurance and banking:

- **Wholesale Financial Markets-** the UK is the leading international financial centre and plays a key role in global wholesale financial markets, which enable public and private commercial companies to raise finance to fund growth. The FCA segments these services across- transaction services, lending, equity and debt primary and secondary markets, derivatives and foreign exchange. The combined retail and wholesale payments and transactions made in 2015 equalled \$113 trillion, with £1 trillion of loans made to corporations by UK banks and the world's largest foreign exchange market.
- **Retail Lending-** 60% of adults in the UK have a credit card, 27% have a mortgage and 48% of small businesses access credit and overdraft facilities. Retail lending is organised across secured lending (mortgage and consumer credit), unsecured lending (revolving unsecured consumer credit and fixed sum) and credit and debt services. The value of the residential mortgage market stands at £1.1 trillion and the commercial mortgage market at £100 billion.
- **Retail Investments-** key products and services cover- collective investment schemes, unit linked profit bonds and endowments, direct holdings, structured investment, national savings, loan and crowd-funded investment, contract for difference/spread betting. 12.6 million UK consumers of retail investment hold 9.1 million risk based investment, with 3.9 million holding more than £100,000 in investable assets; however only 0.6% of the population hold 32% of all total savings and investments in the UK.
- **Retail Banking-** 96% of adults in Great Britain have a current account and 54% have a savings account. 53% of payments are made electronically and the growth in contactless card payments was at 228% in 2015. Core retail banking services cover personal and business current accounts, personal and business savings accounts, overdrafts, credit and charge cards, payment services and foreign exchange.

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<sup>1</sup> FCA- Statistics and Sources Overview (2017)

- **Pensions and Retirement-** £2.1 trillion of assets are managed through the pensions and retirement industry, with 66% of the working age population enrolled on a workplace pension (2016). The industry is split across accumulation (growing financial assets for the use of retirement by defined contribution and defined benefit) and decumulation (conversion of savings into retirement income via annuity, drawdown and equity release) elements.
- **Investment Management-** the UK is the second largest globally for investment decision making, with £7 trillion of funds allocated to capital markets. The industry focuses on providing four key services- investment strategy, governance and administration of investment portfolios, decision making and execution.
- **General Insurance and Protection-** 17 million UK households have buildings insurance, 3 million have pet insurance, 1.9 million have medical insurance and 300,000 have income protection. Furthermore 70% of UK adults have car insurance and 76% of households have home contents insurance. The UK is the largest insurance market in Europe, with key services covering motor and home, accident and health, commercial and wholesale and protection (life, critical illness).

For New Anglia, in terms of Gross Value Added (GVA), the sector in 2015 was worth approximately £2.14bn, which equates to just under seven per cent of the total New Anglia economy; this is an increase of £120m on 2010 (six per cent), with levels of GVA having been fairly flat since 2013.<sup>2</sup>

In total the sector currently employs 29,200 people across the New Anglia area, which is just fewer than four per cent of the workforce. Employment in the sector has grown by two per cent since 2010 (around 600 jobs). This however masks a drop in employment of 3,200 between 2014 and 2015.

New Anglia has two nationally significant 'clusters' for the sector in Norwich and Ipswich. Around three-quarters of those in financial services employment in the Norwich and Ipswich areas, work within the insurance sector. The general insurance sub-sector accounts for the bulk of these jobs. Norwich has been a base for the financial industries for over 200 years, boasting a financially-literate, highly-skilled and stable workforce. Ipswich has a cluster of large insurance firms, and other local and national companies- including accountancy, financial planning and advice and banking. There are also niche markets around marine insurance linked to the counties' ports, farm and crop insurance and thatched property insurance in rural areas, plus a host of small financial service businesses.

Norfolk and Suffolk presents an attractive proposition to financial and insurance businesses looking to set-up grow or relocate. The sector is supported by a wide range of innovative, niche and technology-driven SMEs who are thriving.

Norwich in particular has developed an important business network focused on the significance of its financial and professional related services cluster- as the Financial Industries Group (FIG). FIG is seen as a key development for the sector, with AVIVA for example highlighting the role it can play in underpinning the skills demands generated

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<sup>2</sup> The City UK: Enabling Growth Across the UK (2017)

through AVIVA's Finance Hub, Quantum- Data Science Centre and its 'Horizons'- claims handling centre.

Hosted by Broadland District Council and developed through the University of East Anglia's Business School, FIG is acting as a catalyst for the growth of a key business cluster that can respond to national policy recommendations of providing the right business 'eco-system' to drive competitiveness and ensure skills and innovation are effectively placed. The key national recommendations<sup>3</sup> for the effective development of financial service clusters, which are being used as a strategic baseline for FIG's development, cover:

- **Supporting the business community to work effectively across relevant partnerships-** and sectors within the area (or region) and across wider partnership regional areas in response to the industrial strategy and focus on international competitiveness;
- **Supporting the diversification of the service base locally and building a business/skills network-** to respond to emerging trends through innovation and technology, with a particular focus of harnessing a proactive relationship between skills institutions and the business community for the development of new skills solutions and the effective response to current and future skills demands;
- **Providing a solid base for growth-** empowering local business leaders to respond to emerging national policies and maximise the investment and growth potential for local areas.

Overall there is a real opportunity to further promote New Anglia as an 'aspirational region' for talented people looking to develop their careers; tempting them away from the perceived benefits of Cambridge and London. To this end the Financial Services and Insurance sector is already working closely with the New Anglia Local Enterprise Partnership to attract investment for business and provide support to SMEs working within financial niche sectors, which have the potential to be a high growth sector.

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<sup>3</sup> The City UK Enabling Growth (2017)

## Sector Definition

For the purposes of this work we have agreed with the New Anglia LEP to follow their existing definition of the Financial Services and Insurance sector, as detailed within their current Strategic Economic Plan (SEP) (2017). This definition focuses on the core elements of: –

- banking (retail and commercial, including building societies),
- investment (including activities of holding companies, venture and development capitals),
- insurance,
- financial advice (including pensions, fund management, financial management, financial planning),
- accounting, tax consultancy and bookkeeping.

There are two additional contextual points to clarify in the scoping of the sector overall, to understand the data analysis focus and methodology for employer/stakeholder consultation, these are:

- The analysis of the economic performance of the sector, including its growth and productivity, employer base, employment size and skills and attainment- focus on the Standard Industrial Classification framework developed based on the New Anglia LEP definition. To this end the analysis does not directly include the legal professions. The consultation however has captured previous research and input from key stakeholders such as University of East Anglia on the clustering of the sector and therefore has made recommendations demonstrating the importance of cross-sector working- building mobility and flexibility of skills and labour supply.
- Comparator areas have been scoped based on other nationally significant concentrations of the defined sector. Regional data presented for comparator reasons are based on legacy RDA regional areas rather than the recent devolved LEP regional area definitions.

In terms of sub-sector analysis- 'Activities of insurance agents and brokers' is by far the largest with 9,200 workers, followed by 'Accounting and auditing activities' (5,200), and 'Banks' (3,000). Both 'Activities of insurance agents and brokers' and 'Banks' have experienced large falls in employment between 2010 and 2015 with a combined total of over 3,000 jobs. Conversely, 'Accounting and auditing activities' has grown by roughly 1,500 jobs over the same period.<sup>4</sup>

The Financial Services & Insurance sector is geared towards full-time employment, with 70 per cent of employment in the sector in full-time roles compared to 57 per cent across the whole economy. There are 1,920 Financial Services and Insurance enterprises operating in the New Anglia area, which equals just over three per cent of all enterprises (2016). Since 2010 the number of enterprises has increased by 255, or 15 per cent. This compares favourably with the total New Anglia rate of growth of just over nine per cent.

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<sup>4</sup> See the Financial Services Datapack for references

## Opportunities and Challenges

### Employer Feedback

Employers were consulted (please refer to the appendix for the list of consultees) on a 1-2-1 basis following a key lines of enquiry and using a semi-structured process. This has enabled an evidence base to be developed across a core set of themes, which can then be analysed against the statistical and broader policy analysis.

A key priority raised by employers across all aspects of the sector was developing the standards and professionalism overall. Employers felt that the sector should be positioned as offering careers of choice, with clarity around education and workforce development options that supported the progression towards a professional role. Furthermore, that traditional academic, including post-graduate options alongside current and emerging vocational training- should be clearly explained and made accessible in order to maximise the overall professional standing of the industries within the sector for New Anglia. The Banking Standards Board is one key organisation nationally that is mobilising employers to develop responsibly and professionally to operate at a highly competent level- championing skills as a backbone of quality.

### Training Investment and the Jobs Market

Advances in digital online technology has enabled the financial services and insurance sector to give customers more direct control and 'automated' interaction with products and transactions. Feedback from the larger employers in particular highlighted the shift towards complete online interaction with its customer base- across banking, insurance and investment activities. There was however feedback from smaller, independent, employers within the financial advice and planning industries, which highlighted that digital development, had 'levelled off' and did not fundamentally impact on their core services and roles.

Overall employers highlighted the increasing impact that digital automation has had on consolidating and restructuring services into accounts (often by industrial sector for commercial banking) and area based roles, with general 'digital literacy' needed to provide appropriate advice and customer management. Technical capability for larger businesses is often retained within the employer through specialised IT contractor roles and through an increasing need to provide digital data analysis, using cloud based solutions. For SMEs feedback was more focused on accessing a local jobs market that provided a balance between appropriate qualifications and the right mix of 'softer skills' to deliver an excellent customer service.

Fundamentally, the impact of automation for the sector has meant that key job functions have shifted more towards advisory, relationship management and customer service activities, rather than compliance and data entry/technical administration. Digital AI (artificial intelligence) for the insurance industry means that claim handling and renewals will increasingly be issued automatically, including some initial underwriting considerations.

Overall training investment is a necessary and fundamental aspect of providing most aspects of advisory roles, meeting FCA regulated standards- across finance and insurance areas. Retail banking involves more generalised and less accredited roles and training needs- including business and financial administration. However mortgage advice and lending is also subject to FCA regulation through Certificate in Mortgage Advice and Practice (CeMAP) Level 3+ qualifications. In general the mortgage industry- followed via CPD route ways- finds it hard to retain staff due to high competition between lenders seeking experienced, qualified employees. Employers within the industry supported the development of a route map explaining career options, salary and key steps to qualification- to promote greater interest and uptake of jobs.

Employers provided feedback that the labour market pool for general insurance and business related roles was relatively small, with employers having to go to ex-retail and customer service candidates, which is further exacerbated by a limited apprenticeship offer. In general, the larger SMEs felt that the key issues within the jobs market were not lack of available candidates, or competition from London or other core areas- but concerns of lack of 'softer skills' and intense competition between employers for existing, experienced, staff.

### Training Delivery

In general the sector follows a tightly regulated approach towards training and CPD to ensure FCA standard approval- for all aspects of providing financial advice. This limits the scope and value of developing bespoke or localised training provision across New Anglia. The Chartered Insurance Institute (CII), which incorporates the Personal Finance Society (PFS), owns a qualification framework from 'Award' level through Certificate, Diploma and Advanced levels, leading eventually to Chartered Status- for Insurance and Financial Services. As an overview the framework covers:

- **Insurance-** foundation, Level 3 Certificate (general claims handling, HR and business administration or Level 3 Insurance Practitioner) and Diploma (technicians, supervisors and modules focused on progression towards advanced and chartered status);
- **Financial Services-** a clearly defined FCA regulated pathway that covers Level 3 in Life and Pensions Financial services, financial administration, long term care insurance, through to Level 4 in Investment Options and a Diploma/Advanced Diploma in Regulated Financial Planning.
- **Accounting-** Association of Accounting Technicians (AAT), a key entry-level membership awarding body for the accounting industry accredits a Level 2 to Level 4 route way that typically takes 2-4 years to complete (foundation level to diploma) or via an AAT approved accounting or finance degree. Post-graduate Chartered status can be achieved through five specific professional route ways including the Institute of Chartered Accountants (ICA); the Institute of Management Accountants (IMA); and the Association of Chartered Certified Accountants (ACCA/FCCA).
- **Banking –** although the retail banking industry relies more on general financial and administrative qualifications/experience, the FCA ensures there is close regulation of mortgage advice and practice (CeMAP) and organisations such as the London Institute of Banking and Finance (LIBF) play a key role in underpinning the sector with a range professional qualifications to adhere to banking standards (with an

increasingly important role from the Banking Standards Board too- a national membership organisation).

Finance and Insurance employers highlighted that CPD plays an important role in enabling individuals to progress through post-graduate equivalent training and reach chartered status. CII also regulated this pathway, which typically involves 5 years+ experience and an Advanced Diploma, leading to Chartered Status for- Insurance Brokerage, Insurer, Insurance Practitioner, Insurance Risk Manager and Chartered Financial Planner. CII regulate training accreditation and have a list of defined University Level partnerships to support post-graduate course delivery- **there are however no links to New Anglia HE Institutes.**

Access to finance is one of the major challenges for business owners, with commercial finance brokers playing an increasingly important role in developing effective linkages between banks/lenders and business owners. Commercial financial brokerage is able to work independently from direct banking to consider multiple funding sources, especially important for complex business needs- considering a range of lending options. Given the increasing importance of commercial brokerage, the FCA in 2016 introduced more stringent standard expectations regarding licensing and service delivery- leading to commercial brokers registering direct with the FCA or via brokerage networks. Training planning and delivery for commercial brokerage is however driven through the commercial training market nationally, with an array of training consultants and independent delivery organisations offering professional development. **As with post-graduate routeways for financial advice in general- there is no dedicated network or training pathway accessible within New Anglia for the commercial broker market.**

### **Apprenticeships and Workforce Development**

The larger employers in the area (e.g. AVIVA, Grant Thornton, Larking Gowen, Scrutton Bland) have dedicated apprenticeship programmes, with significant regular intake that will increase significantly in many cases with the introduction of the Apprenticeship Levy – particularly in respect of ‘older’ apprentices already within the workforce. (For example, a large local employer described how the average age of their Apprentice cohort is profiled to rise from 19 years to 26 years in the next couple of years).

Apprenticeships range from general insurance and business administration, through to accountancy and financial service practitioner. City College Norwich was highlighted as a provider for general insurance apprenticeship training up to RQF Level 3 via its Providing Financial Services advanced apprenticeship. For larger employers apprenticeship training is often sourced through approved national providers that are able to deliver accredited training required as part of a tightly regulated market (for example Kaplan for AAT accredited training up to advanced diploma level accounting).

SME employers consulted highlighted the issues of lack of RQF Level 4 and more specialised apprenticeships following a degree equivalent pathway. It was felt that apprenticeship take up for young people was relatively low and that SMEs found the overall offer confusing to access, exacerbated by the apprenticeship levy (for those that are levy paying employers). Further consultation highlighted the progress UEA are making towards developing an industry sponsored degree apprenticeship for Finance, which they aim to

align with their post-graduate MBA provision. Employers in Suffolk felt there was little activity on postgraduate engagement in general for the sector.

AVIVA are actively engaged in a 50+ inclusion programme that focuses on helping to promote economic activity for older people, including digital skills, financial advice and employability support. AVIVA felt that lifelong learning and the offer of adult apprenticeship options should **not** become a lesser priority to apprenticeship promotion and take up with younger people.

### **Recruiting New Entrants and Promoting Future Supply**

Several critical areas were highlighted by employers, for what is seen as the overall top priority based on the employer feedback- engaging with young people through school's enterprise and careers education programmes. Critical areas highlighted included:

- A 90% reduction in independent financial advisers (since 1980) and the risk that accessing financial advice was seen as an exclusive service rather than an equitable offer that enables planning to achieve and maintain financial independence and security;
- A general lack of understanding of the sector as a whole, with schools overly favouring traditional academic route ways for professional career development- through Higher Education and overlooking Post 18 'A' Level progression through technical and vocational route ways, such as Higher Apprenticeships (achieving AAT approved chartered accounting is quicker and cheaper to achieve through a vocational pathway than via taking a general graduate degree course in finance and business and then following postgraduate options);
- Lack of interest in work experience and internship opportunities despite several employers consulted actively promoting these opportunities to schools and through school engagement enterprise programmes;
- Across the board concern for the mismatch between changing skills demands and 'softer skills' output- with digital automation impacting on the nature of business services being far more relationship management and account management focused for the client and less focused on compliance and administration. Employers highlighted the importance of communication and customer service skills to support new types of advisory roles and roles far more focused on solutions through online and new funding models (such as crowd funding);
- Concerns regarding the sector-relevancy of enterprise and careers provision within schools and colleges; balanced with a general offer to engage schools and broker new ways of promoting the sector, and the key skills needed. Employers highlighted past and current activity including mentoring support, work experience placements, internships, project based exercises and career talks.

Overall employers were keen to work together to improve the perception of the sector, increase the quality of key skills and ensure that young people are able to make informed choices about career opportunities and the learning pathway.

## Taking Forward a Financial Services and Insurance Sector Skills Plan for New Anglia

Through the consultation process a growing number of businesses have been consulted and expressed a genuine passion for supporting the skills and employment opportunities for the sector. Employers are keen to advocate for their industries and see engagement with young people in education as being a fundamentally important area. They value the opportunity to develop more formalised business to business activity, including education- through networks. Ultimately, enabling employers to cooperatively define their skills demands and aggregating this to give robust intelligence to the education and training community- represents the most effective way to affect change and develop employer responsiveness within skills delivery.

The financial services and insurance business community has a strong sense of corporate social responsibility, often adopting a 'Cornerstone Employer' remit; the employers consulted described the importance of maximising the impact they could have as local employers in relation to community engagement. Feedback captured through the consultation highlighted that employers across the sector's key industries identified how important an enabler access to financial advice, alongside digital capability, is to support economic and social wellbeing. Employers were keen to develop social action, which could focus on a number of key areas:

- Engaging young people through schools, colleges and universities to help inform career choices for new entrants into the sector and develop '21<sup>st</sup> century skills';
- Helping 50+ older workers develop digital literacy and maintain financial independence;
- Working in partnership with other stakeholders to support key community engagement programmes- such as New Anglia's Opportunity Areas;

New Anglia is recognised as having two significant business clusters for Financial Services and Insurance- Norwich and Ipswich. A 'clustering effect' generates benefits on the demand and supply side, and results in improved flows of information and greater efficiency- across industries. Companies benefit from customer proximity, better linkages to suppliers and knowledge spill-over- such as the relationship between finance and professional services, including legal advice.

The UEA is currently developing research into the Norwich cluster and through its Business School is helping to develop the business network- the Financial Industries Group (FIG). FIG, which is hosted by Broadland District Council and includes a business-led Board governance structure- provides a business to business 'trade directory' and network and acts as a demonstrator for Norwich's financial offer. The UEA are able to engage with FIG to develop its business support offer, the MBA delivered through the university and are in the process of developing a degree apprenticeship pathway aligned to the MBA, which is planned to include financial services.

Employers in Ipswich and the wider Suffolk area are also aware of the 'clustering' of business related activities, with examples of partnership working on school enterprise programmes in the past. Despite lobbying the previous Regional Development Agency (RDA) and the LEP- there is however no equivalent to FIG for the Ipswich/Suffolk area or business led partnership through the University of Suffolk.

## Cross-Cutting Issues

### **‘FinTech’ & New Anglia’s DigitalTech Skills Plan**

Financial technology- known as ‘FinTech’ describes a business that aims to provide a service financial service- directly to the end customer or to a business client, which makes use of digital modern technology. In 2017 KPMG reported that around 42% of global financial services firms have a fintech strategy<sup>5</sup>, in reflection to the increasing demand of customers wanting to access their financial services online and on their mobile devices. KPMG report:

“At the rate the industry is evolving, financial products and services – and the technological infrastructure behind them – will look remarkably different in a decade. Financial institutions that take the time to define their fintech strategy and align it to their future vision and business goals will be best positioned to forge the future of financial services.”

Key facts made available through the FCA highlights the extent to which digitisation of products and services has played a significant role shaping the overall service offer for the industry, impacting on functional roles and skills requirements- 53% of payments are made electronically (2015), with a 228% increase in contactless payments<sup>6</sup>. In 2013 Ernst and Young reported that globally there are approx 7 billion mobile subscriptions and that 57% of insurers were aiming towards the development of a ‘digital business case’ to respond the fundamental demand for online product channels.<sup>7</sup>

Although the employer consultation highlighted a view of ‘levelling off’ for SMEs within the sector in terms of digital technology and automation- particularly within the financial advice and planning industries- the extent to which fintech is seen as a key catalyst for driving competitiveness for the sector as a whole and in turn the skills demands to support it- should not be overlooked. Norwich as a business cluster for the sector- is already highlighting the important relationship between the financial services industry and the creative digital industry, which also has a significant presence. There is already an ‘industrial heritage’ between contactless payment and the initial application and testing development through Norwich enterprises, with firms like AVIVA also championing the role that creative digital enterprises can play in diversifying the reach of financial services across online, app and mobile technology. AVIVA also cite UEA’s role in the sourcing of suitably qualified ‘web app’ programmers, more than any other UK HEI.

To this end there is a significant crossover skills ‘relationship’ to foster between the sector and digital technology, with the New Anglia ‘Digital Tech’ skills plan activity led by TechEast, aiming to better define and influence the supply of skills for the New Anglia area. This will be an important link to the Financial Services and Insurance sector skills plan.

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<sup>5</sup> KPMG 18<sup>th</sup> October 2017- FinTech Strategy- Forging the Future

<sup>6</sup> UK Payments Markets 2016, Payments UK

<sup>7</sup> Ernst & Young, 2013- Insurance in a Digital World

## Headline Skills Data Analysis

The Datapack in support of the Financial Services and Insurance skills plan captures a detailed quantitative analysis of learning outcomes, skills demand forecasts and vacancy/recruitment patterns.

In total, 1,460 learning aims related to the Financial Services & Insurance sector were delivered to New Anglia residents in 2012/13. This formed 1.8 per cent of all known learning aims delivered in New Anglia, compared to 2.6 per cent nationally. Since 2010/11, there has been a 29 per cent increase in the number of Financial Services & Insurance learning aims delivered to New Anglia residents. Nationally, learning aims for the sector increased by 33 per cent.

Apprenticeship start numbers in frameworks relevant to the sector are fairly low, and apprenticeship participation numbers are below what we would expect the sector to contribute based on its employment numbers. Analysis of the apprenticeship offer for New Anglia shows that courses are run up to advanced Level 3 level and follow a relatively general approach- across finance and administration areas. Apprenticeship standards have been developed nationally for the sector, via the Trailblazer programme, by a range of key employers including Lloyds Bank, Santander, Barclays, Boots, Grant Thornton and Tower Watson. Currently standards exist across 39 areas (including 9 awaiting approval), up to Level 7 degree apprenticeship, for areas including:

- Relationship Management (banking)
- Investment Operations
- Workplace Pensions Administration
- Paralegal and Paraplanner
- Solicitor
- Insurance practitioner and professional
- Financial Adviser
- Commercial Banking<sup>8</sup>

To date there was no evidence of these national standards being adopted by local skills providers.

Using information from both the East of England Forecasting Model and the UKCES Working Futures model, the sector is projected to decline in employment terms between 2014 and 2024 by just over three per cent (approximately 1,000 jobs). Despite this overall projected decline in job numbers there will still be growth areas within the sector with around 4,000 new jobs at Level 4 to 6 (HE to First degree level) and above. At the same time there will be a significant amount of existing jobs to replace as people leave the sector workforce. Over the period 2014 – 2024, replacement demand is expected to be somewhere in the region of 10,000 jobs. This places a net requirement for jobs requiring to be filled in the sector at around 14,000.

New jobs creation (expansion demand) will be primarily in roles requiring degree level skills and higher (Level 4 and above) with job losses in lower skilled roles. This trend can be seen in changes in qualifications in the sector between 2001 and 2011. However, current

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<sup>8</sup> Institute for Apprenticeships (March 2018)

vacancy data suggests that the number of HE level opportunities is small when compared with lower level job opportunities.

### College and University Developments

In terms of post-16 education there is a broad skills provision offer typically up to a Level 3 and Advanced Diploma level. The New Anglia FE colleges align financial services with a broader curriculum offering including business administration, customer services, management and professional administration. Apprenticeship activity, grouped at each level, covers:

- Level 2 Intermediate Apprenticeship- Accounting, Business Administration, Customer Service
- Level 3 Advanced Apprenticeship- Accounting, Business Administration, Customer Service, Management
- Level 4 Higher Apprenticeship- Business and Administration, Business and Professional Administration, Management, Customer Service

The provision offer through FE is relatively similar across the group of colleges; including access to AAT accredited accountancy training up to Diploma Level 4 and bookkeeping courses. West Suffolk College offer an extended Diploma in Business and an ILM Level 7 in Leadership and Management- under the Finance section of their course prospectus. City College Norwich, which was directly referenced by the FIG Board and consulted, uniquely across the FE group offer both an intermediate and advanced apprenticeship in Providing Financial Services, which is accessed by Financial Service and Insurance employers across the Norwich and surrounding area. City College Norwich are also working closely with AVIVA around their frontline development demands across their significant workforce presence in Norwich. In terms of the Providing Financial Services training feedback from employers highlighted that the provision is in demand but is limited to the Level 3 Advanced level. It serves as an effective pipeline for recruitment into entry level roles, particularly within general insurance and administration; however, the limited level of qualification overall across the FE group impacts on the take up of apprenticeships from within the area, and the alternative offer of a vocational pathway towards a professional career within the sector.

In terms of Higher Education- both University of East Anglia (UEA) and the University of Suffolk (UoS) offer graduate and post-graduate programmes across business finance, economics and accountancy. Similar to FE, programme content is broad and expands across management and business administration disciplines. UEA offers a specific focus on Accounting and Financial Management at graduate and post-graduate level and the UoS a BA Hons. in Economics, Banking and Finance. UEA through the facilitation of its Business School is acting as a key enabler of the development of the Financial Industries Group (FIG) for the Norwich area. Favouring a cluster based model of business engagement and growth, UEA with FIGs support is aligning its business focused consultancy and skills services to the ongoing needs of the business community. In particular, it is developing its MBA programme to align with a range of key sectors, aiming to use the MBA as a pipeline for degree apprenticeship output by developing a number of sector course pathways, including Financial Services, which has industry backing and supports the relevant degree standards for each sector.

Overall however there is no formally accredited Chartered Institute of Insurance (CII- the professional body regulated by the FCA for insurance and financial planning services) qualification framework provision accessible directly from New Anglia based HEIs. Feedback from employers highlighted that this can limit the overall status and value of the sector for the area, as the progress towards and achievement of professional status is an important aspect for the sector to demonstrate its value, competitiveness and attraction of talented employees.

## The Financial Services and Insurance Sector Skills Plan

### Priorities for Action

The data analysis and qualitative consultation has enabled an evidence base to be developed that captures and defines a range of issues and future risks linked to the demand and supply of skills for the Financial Services and Insurance sector in New Anglia. In contrast, there are a number of strengths and major opportunities to position the skills plan against, giving planned interventions real momentum moving ahead.

Overall there is a significant impact that digital, online, automation has had and will continue to have on the nature of business within the sector- the key roles and product services, how advice will be accessed and delivered and what functional skills will be required to in order to respond to consumer demands. The evidence highlights a shift away from administrative roles linked to data entry and compliance to more customer-relationship management skills, requiring strong communication, business management and data analytical abilities. The key priority evidenced through the employer consultation focused on the importance of responding to these current and future changing roles and demands through '21<sup>st</sup> Century' key skills and there was a concern that formal training and academic achievement did not carry with it the necessary employability skills businesses value. Furthermore, the response from employers highlighted concerns regarding informing career choice, ensuring the career pathway is accessible from a training and education perspective and that there should be a focus on professional development right from entry/foundation level.

Qualifications and training products are tightly regulated and accredited- as a prerequisite for any aspect of delivery financial advice, which is a guiding principle behind any 'localised skills solution' to be delivered at a New Anglia level. There are however several critical skills issues evident-

- A lack of an accredited post-graduate career development pathway accessible through New Anglia located education institutes;
- A limited apprenticeship offer of up to Level 3 for generalised, financial skills development, with a key gap across the general insurance industry that has a regular (and when aggregated as a whole area)- significant level of demand at least to a Level 4 Higher Apprentice level. In addition, a low level of engagement from SMEs in apprenticeships and a lack of embedding the new apprenticeship standards for Legal, Finance and Accounting;

- Concerns about the supply of skills and entrants into the financial planning industry, with a significant fall in the Independent Financial Adviser market- highlighting greater, collaborative working, with education and careers development agencies to define and explain the value of the sector and the career choices available.

The issues captured from the consultation have been used to develop the recommended priority skills interventions in the next section, summarised as the following four key actions:

- i. **Developing employer leadership across New Anglia's two key clusters- Norwich and Ipswich and Implementing an employer led schools' engagement programme (set out as 1a and 1b)**
- ii. **Developing a Level 4 apprenticeship offer, with a focus on general insurance services**
- iii. **Developing and communicating a vocational and academic qualification and training 'roadmap' for the sector: from foundation to chartered**
- iv. **Securing the availability of local post-graduate accredited professional training**

## Proposed Skills Interventions

<p><b>Intervention 1a- Developing employer leadership across New Anglia's two key clusters- Norwich and Ipswich</b></p>
<p><b>Rationale:</b> Employers welcomed the opportunity to develop close business networks across New Anglia's two key concentrations of the sector. Furthermore employers expressed the importance of working together to support the economic and social wellbeing across the area- as a 'social partnership'. A cluster model was favoured by the businesses consulted, as based on the evolving Norwich model- it is able to draw in cross-sector areas, such as links to the professional, legal and digital tech sectors, without losing the local focus across both counties.</p> <p>For the development of a similar cluster-based approach for Ipswich the facilitation of a new business network should be cognisant of significant sector activity across key parts of Suffolk, including West Suffolk- Bury St. Edmunds and Haverhill.</p> <p>A framework that highlights the shared priorities and positive differences between both clusters should be developed, which can refer to New Anglia wide priorities for skills development and the development of a 'social partnership', in order to plan business engagement and activity. <b><i>Organising the business community will provide an underpinning 'enabling' role across all of the key interventions in the skills plan.</i></b></p> <p>The commercial brokerage industry should also be encouraged to engage with developing cluster arrangements across both areas- in order to identify and influence the demand and supply of training for commercial brokerage activity.</p>
<p><b>Action to be Taken:</b></p> <ul style="list-style-type: none"> <li>• Support the development of a new Financial Industries cluster group for the Ipswich and surrounding Suffolk area, with a strategy that incorporates the key interventions from the skills plan alongside a broader networking 'business to business' focus and the coordination of key business support activities that promote the economic growth of the sector;</li> <li>• Identify the appropriate governance process to allow both cluster groups to effectively work together, respecting local leadership and facilitating opportunities for close collaboration on skills development;</li> <li>• Consider and respond to the skills implications of 'Fintech' developments – particularly for smaller businesses and actively encourage commercial brokerage firms into the networks to enable a coordinated focus on commercial brokerage professional development;</li> <li>• Develop a framework to support both cluster groups for ongoing skills activity, which defines New Anglia wide skills work and the delivery activity stemming from the skills plan.</li> </ul>
<p><b>Facilitation:</b> Ipswich Borough Council and Suffolk County Council for the development of an Ipswich Financial Services cluster, (which is able to widen links to other areas across Suffolk), in consultation with the University of Suffolk, the Suffolk Chamber of Commerce, the FSB and Suffolk New College.</p>

The New Anglia Skills Board and FIG (Broadland District Council and the UEA) to consider closer links across the New Anglia area and the key actions on governance and action planning.

**When:** An Ipswich Financial Services cluster should ideally be operational by the end of 2018 to ensure the overall aims of the skills plan can be effectively taken forward across the area.

**Resources and support:** Ipswich Borough Council and its partners along with the New Anglia LEP should identify the most resource efficient approach towards development of the cluster- consulting with FIG in Norwich to plan resource and collaboration models.

<p><b>Intervention 1b- Implementing an employer led schools' engagement programme</b></p>
<p><b>Rationale:</b> An enterprise engagement and enrichment programme will help drive the quality of new entrants with the right level of 'soft skills', support digital tech capability, (which is increasingly important given digital automation across key parts of the sector) and provide young people with quality employer encounters. Crucial to the development of a focus for the sector is to ensure the existing enterprise offer for New Anglia is maximised, with effective coordination with current and planned initiatives- including the Opportunity Areas.</p>
<p><b>Action to be Taken:</b></p> <p>Such a programme should include:</p> <ul style="list-style-type: none"> <li>• Defining the key 'soft skill' competencies valued by employers and mapping them to existing school enterprise activity;</li> <li>• Setting work experience, internship and mentoring aspirational goals for the sector to encourage business-educational interaction;</li> <li>• Influencing existing careers guidance programmes to ensure they provide up to date and accurate labour market intelligence about the sector; and</li> <li>• Maximise the use of digital and social media channels to promote the sector and the enterprise engagement programme.</li> </ul> <p>An employer-led 'task force' sponsored by the Skills Board, with invited representation from employers involved in both financial clusters across New Anglia, should be established and a school enterprise engagement action plan developed.</p>
<p><b>Leadership:</b> Skills Board, employer community, careers and enterprise coordinators, enterprise advisers, the National Careers Service prime providers, DWP, ESFA.</p>
<p><b>When:</b> An enterprise engagement plan should be in place for the 2018/19 academic year, to then be updated and repeated on an annual basis.</p>
<p><b>Resources and support:</b> resource needs for co-ordination are comparatively modest but it is important that a central resource is secured if needed to help co-ordinate careers delivery. The private sector should be invited to consider sponsorship for the overall approach and key activities stemming from it, given the extent to which this intervention was considered 'mission critical' to the overall skills plan.</p> <p>The majority of resources needed for delivery are already in place, through regional programmes (e.g. icanbea, Enterprise Coordinators and the Enterprise Advisor Network) and nationally (e.g. Careers Enterprise Company). In addition, many businesses in the sector work with schools and FE/HE to promote the industry.</p>

**Intervention 2- Developing a Level 4 apprenticeship offer for Financial Services and Insurance, with a focus on general insurance services**

**Rationale:** - Apprenticeship outcomes in general for the sector were underperforming compared to national and regional outcomes for the sector and other key sectors. For the key industries in general apprenticeship training was limited locally to level 3 pathways. For general insurance in particular evidence captured highlighted that businesses have a steady, ongoing recruitment demand that would benefit from a Level 4 option.

Employers are having to seek experienced candidates from other sectors such as retail or are increasingly competing with each other as a local insurance industry. The lack of apprenticeship delivery that are specific to the new national standards for the sector, limits the vocational pathway New Anglia residents can take that can work equally as well as a career model as traditional academic route ways.

Although larger employers have dedicated apprenticeship programmes through national providers, SMEs were not able to engage as effectively in the apprenticeship offer locally and were dissuaded from investment due to confusion in accessing training options and concerns regarding cost and competition from other businesses.

**Action to be Taken:**

- Consult with the FIG and the new Ipswich cluster to capture more detailed aggregate demands for general insurance training;
- Consult with the FE College group and relevant private training providers to assess the adoption of new standards that respond to training demands;
- Work in partnership with FE leaders to identify how demands may be aggregated and used for the development/investment of new apprenticeship provision, in line with existing standards or identifying routeways for new standard design;
- Plan a targeted engagement and communication campaign to raise the profile of apprenticeship training for SMEs.

**Leadership:** FIG and the Ipswich Cluster (supported by the Local Authorities and the New Anglia LEP), the New Anglia FE College Group and the ESFA

**When:** Development of the apprenticeship investment information by end of 2018 and a targeted marketing campaign through 2019.

**Resources and support:** ESFA for support on apprenticeship intelligence and promotion, New Anglia LEP to consider support for employer engagement and facilitating apprenticeship promotional activity through existing channels/shows etc. FE Colleges for consultation on apprenticeship business development and the adoption of new standards.

**Intervention 3- Developing and communicating a vocational and academic qualification and training 'roadmap' for the sector: from foundation to chartered**

**Rationale:** Both vocational and academic pathways into careers within the sector hold equal value; however employers are concerned that the stages and options are not well known and are impacting on the flow of new entrants into the sector.

Given the expected overall demand of 14,000 new entrants- the need for clarifying the career roles from entry through to chartered and the learning activity involved at each stage- will help improve engagement and the overall labour market.

**Action to be Taken:**

- A key facts overview of the sector and 'Steps to Being a Finance and Insurance Professional' Roadmap should be designed and produced in consultation with and promoted through both clusters;
- The roadmap should cover options following both academic and vocational route ways;
- Further action to be considered to breakdown the data analysis of growth and replacement demand and ensure the key training and career choices reflect job roles and functions that will be of higher demand- thus 'future-proofing skills' and employment outcomes;
- Plan the dissemination of the materials through existing education and enterprise organisations, the enterprise coordinators and adviser network and published centrally through the LEP's website.

**Leadership:** The Skills Board should consider how overall the materials can be most effectively developed in consultation with the LEP and the business community.

**When:** Sector overview and the 'Steps to Being a Finance Professional' Roadmap to be produced ready for the 2018/19 academic year.

**Resources and support:** Other areas demonstrating good practice should be consulted to inform the planning and production of materials (for example the Essex Employment and Skills Board's sector overview road maps). New Anglia LEP to facilitate the production of the products and invite sponsorship from key employers from both cluster groups.

#### **Intervention 4- Securing the availability of local post-graduate accredited professional training**

**Rationale:** Given the national recognition of the sector's value and size- there are no current CII accredited post-graduate options to support CPD for the key industries within the sector. Employers and employees have to access postgraduate provision in Scotland, Manchester and London. This in turn limits the progression towards professional status and the overall value of the sector as a hub of excellence. A business case should be developed that defines the postgraduate demands for the sector and in partnership with the HEIs- brokerage with the CII should be performed.

#### **Action to be Taken:**

- Develop a University and FE focus group- recognising commercial sensitivities- that can consider existing and future investment in higher education for the sector overall, with advice from HEFCE where appropriate;
- Impact the development of higher apprenticeship standards for the sector based on the Institute for Apprenticeships registration and national trailblazer activity- and consider the match between current and forecast demands for the sector;
- Consult with the national Banking Standards Board and the Institute of Financial Services- for planning the promotion and adoption of skills and qualifications across New Anglia Financial Service and Insurance employers- particularly at the SME level- to stimulate greater demand for professional development across the sector;
- Broker a pan New Anglia post-graduate qualification framework, which would be an 'aspirational baseline' of course content and availability that aligns with career progression towards professional status (chartered) in the sector's key industries;
- Consult with the Chartered Institute of Insurance (CII) and the Personal Finance Society (PFS) to identify actions towards seeking HE accredited provision for New Anglia;
- Respond to the likely CPD needs for locally-based businesses in respect of Fintech / digitalisation developments;
- Ensure Norwich and Ipswich clusters can become beacons for professional development overall for the sector- lobbying for national investment and development where necessary based on an emerging post-graduate qualifications framework.

**Leadership:** New Anglia Skills Board, FIG, Ipswich Cluster, UEA, UoS, HEFCE, CII

**When:** Aim for a base-lined New Anglia post graduate qualification framework to be designed throughout 2018 and a developmental plan in place from 2019 onwards.

**Resources and support:** A dedicated resource to broker and facilitate the development of the activity across New Anglia should be considered by the key partners/partnerships invited to take a lead role. Further support direct from employers within the cluster groups

and national funding and regulation/membership bodies such as the CII, PFS and the Banking Standards Board.

## Appendix A- Skills Plan Development Process

The development of the Financial Services and Insurance Sector Skills Plan was overseen by a LEP and Local Authority officers and a series of employer representative 'task and finish' meetings between October 2017 and March 2018. The final plan was presented to a key stakeholder group, which included industry representation from the New Anglia Skills Board in March 2018. In addition to this sector skills plan document, a supporting Datapack has been produced which outlines the current workforce in the sector, trends in its skills levels and how the local Financial Services and Insurance sector in New Anglia compares with other areas. The Datapack also reports on the underlying socio-economic context for the sector locally and reports on projected changes in future skills needs and current student numbers.

To capture primary evidence through qualitative, **semi-structured**, interview methodology with the employers and key stakeholders we established a series of key themes and lines of enquiry. The key lines represented a framework to guide the consultation process however the questions were not prescriptive and the semi-structured approach enabled further issues to be detailed based on the responses from the consultees.

### **Key Themes & Lines of Enquiry**

Five key themes were identified and agreed following the initial research- focusing on existing policy, quantitative data analysis and previous sector intelligence that has been captured and reported. ***The feedback from the key lines, along with the earlier quantitative and desk based research, shaped the evidence captured in 'Opportunities in Challenges' in the main report and the rationale for each strategic intervention in the Delivery Plan.***

#### **Theme 1- Training Investment and the Jobs Market**

*What are the main areas of training that employers invest in within their business? Do they expect their training needs to change over time- if so why and in what way?*

*Do employers have confidence in the current labour market? Are they able to find the relevant skilled staff or are there gaps and barriers? Are they recruiting- if so to what roles and what are their expected recruitment needs?*

#### **Theme 2- Training Delivery**

*Where do employers go for their training- what type of provider, provision/qualification and where are they located? How do they rate the training they access and what can be done to meet their needs better?*



### **Theme 3- Apprenticeships and Workforce Development**

*Do employers recruit apprentices? If so- in what standards/job roles and if not- why, are there job roles that are not served by apprenticeship provision? Do employers anticipate that the levy will stimulate further interest and investment in apprenticeships? What are their views regarding the development of their existing staff workforce and apprenticeships?*

*How are you affected by the transferability of skills both in terms of recruiting to the sector from other industries but also candidates diversifying into other industries and markets outside the area and the skills gaps this would leave in your sector?*

### **Theme 4- Recruiting New Entrants and Promoting Future Supply**

*Where do employers look for taking on new entrants? What level of experience must they have and what is their view on recruiting young people- both non-graduates and graduates? How can their industries be promoted to young people to encourage new supply and what 'key employability skills' should they have. Are employers interested in supporting the coordination of enterprise engagement within schools, colleges and universities?*

*How do changes in technology impact on your workforce- size, training and future recruitment needs?*

### **Theme 5- Taking Forward the Skills Plan for New Anglia**

*What are the top overall priorities that a 'Skills Plan' for should capture and what role would they wish to have in supporting the plan's forward delivery?*

## List of Consultees

A series of key interviews were conducted with a mix of employers, sector skills providers and representative bodies. In total over 40 consultees were interviewed in depth and/or attended the meetings held or provided other direct input (presentations at events, referrals, links to reports etc). These consultees included:

Becky Ames- Larking Gowen  
Gillian Anderson Brown- Alan Boswell Group  
Nick Banks- Scrutton Bland  
Peter Basford- Lloyds Bank  
Steve Burton- AVIVA  
Julian Campbell- University of East Anglia  
Eve Cronin- Norfolk County Council  
Steve Davidson- Marsh  
Mike Dawes- CarterDawes  
Peter Dawes- CarterDawes  
Alastair Drew- Alan Boswell Group  
Anna Douglas- University of East Anglia  
Dominique Fell-Clark- Policy Bee  
Michelle Gordon- Ipswich Borough Council  
Lucy Golding- Grant Thornton  
Sophie Gray- AVIVA  
Nathan Harvey- AJG  
Andrew Hunt- AVIVA  
Tom Jell- Ipswich Building Society  
Jasmine Joolia- Suffolk County Council  
Kenny Lang- New Anglia Local Enterprise Partnership  
Philip Lodgson- Aviva  
Colin Low- Kingsfleet Wealth  
Simon Lubbock- NATWEST  
Raphael Markellos- University of East Anglia  
Jenny Melling- AVIVA  
Maxine Narburgh- Ipswich Borough Council  
Naresh Pandit- University of East Anglia  
Stephen Scowen- Broadland District Council  
Del Sharman- Poundgates  
Carl Shave- The Mortgage Centre  
Malcolm Smith- AVIVA  
Tim Taylor- Grant Thornton  
Ellen Tilney- Norwich City Council  
Paul Whittingham- Ashtons Legal  
Paul Winter- New Anglia Skills Board

## Appendix B- Evidence Report (Datapack Summary)

### Key Findings from the Data Analysis (please refer to the Datapack):

GVA has increased since 2010 but has been fairly flat since 2013. Employment increased between 2010 and 2014 but decreased by over 3,000 jobs between 2014 and 2015.

In total, 1,460 learning aims related to the Financial Services & Insurance sector were delivered to New Anglia residents in 2012/13. This formed 1.8 per cent of all known learning aims delivered in New Anglia, compared to 2.6 per cent nationally

Since 2010/11, there has been a 29 per cent increase in the number of Financial Services & Insurance learning aims delivered to New Anglia residents. Nationally, learning aims for the sector increased by 33 per cent.

Apprenticeship start numbers in frameworks relevant to the sector are fairly low, and apprenticeship participation numbers are below what we would expect the sector to contribute based on its employment numbers.

21 per cent of Financial Services employers in New Anglia reported having staff that were not fully proficient in 2015, compared to an average of 14 per cent. However, staff not fully proficient as a percentage of employment in the sector stood at only two per cent (below the averages for New Anglia, regionally and nationally).

The sector is projected to decline in employment terms between 2014 and 2024 by around three per cent (approximately 1,000 jobs).

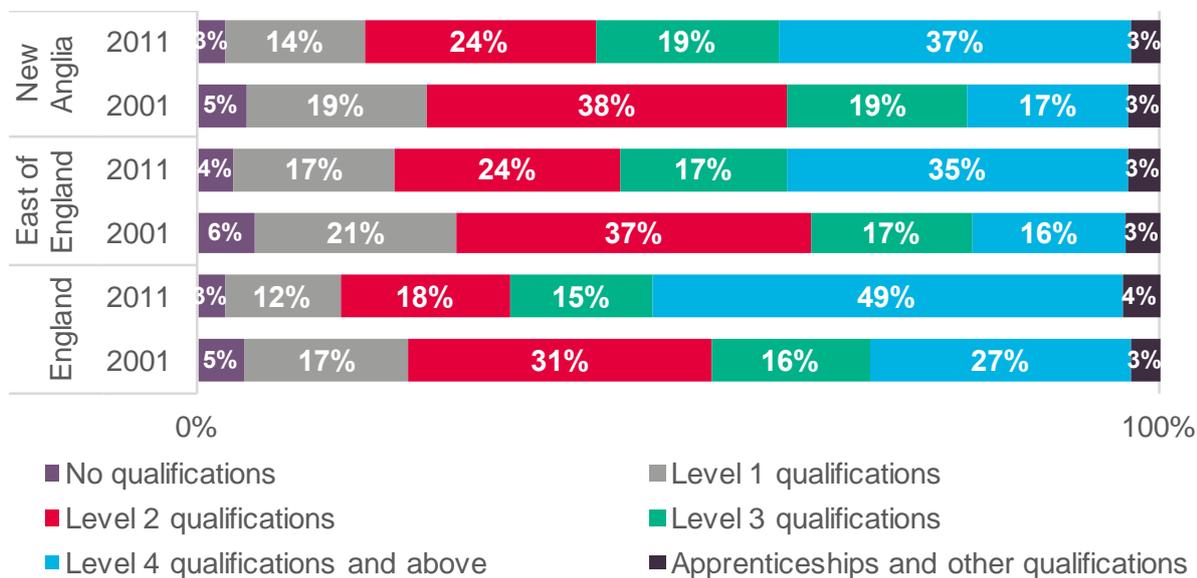
Despite this overall projected decline in job numbers there will still be growth areas within the sector with around 4,000 new jobs forecast over this period. In addition, replacement demand is expected to be somewhere in the region of 10,000 jobs. This places a net requirement for jobs requiring to be filled in the sector at around 14,000.

New jobs creation (expansion demand) will be primarily in roles requiring degree level skills and higher (Level 4 and above) with job losses in lower skilled roles. This trend can be seen in changes in qualifications in the sector between 2001 and 2011.

However, current vacancy data suggests that the number of HE level opportunities is small when compared with lower level job opportunities.

## Skills Supply & Demand Analysis

The Financial Services & Insurance sector workforce in New Anglia is becoming higher skilled as analysis of 2001 and 2011 Census data shows. However, in terms of this shift in qualifications then New Anglia still lags behind regional and national averages for the sector but this is positive nonetheless.



*The following analysis is based on data sourced from the Department for Education's Further Education data library. The Sector Lead Body identified as being the most relevant to the Financial Services & Insurance Sector is 'Finance, Accountancy & Financial Services'.*

In total, 1,460 learning aims related to the Financial Services & Insurance sector were delivered to New Anglia residents in 2012/13. This formed 1.8 per cent of all known learning aims delivered in New Anglia, compared to 2.6 per cent nationally; considering all learning aims delivered (i.e. including those classed as 'unknown' then these figures fall to 0.7 and 1.0 per cent respectively).

Compared to 2010/11, when the number of learning aims delivered to New Anglia residents was 1,130, then numbers are up for the sector lead body in question. Overall, this results in there having been a 29 per cent increase in the number of Financial Services & Insurance learning aims delivered to New Anglia residents over the period in question. Nationally over the same period, learning aims for the sector increased by 33 per cent.

The majority of these learning aims (1,120 or 77 per cent) achieved by New Anglia residents were delivered by New Anglia based providers. This is slightly more than the average for New Anglia (75 per cent).

Provision of Financial Services & Insurance sector learning aims by New Anglia providers to New Anglia residents has increased over the time period in question, from 770 (45 per cent).

In terms of apprenticeships, then in 2014/15 there were 320 starts in 'Accounting' and 'Providing Financial Services' apprenticeships in New Anglia. This was up from 255 starts in these apprenticeship frameworks combined in 2011/12.

Data on apprenticeship participation by sector provides a slightly different perspective with 'Financial and insurance activities' accounting for 2.4 per cent (520) of all apprenticeships in 2014/15, which is lower than the level of employment it provides (four per cent).

*The following is based on analysis of LEP level results for the Financial Services sector from the UKCES Employer Skills Survey 2015.*

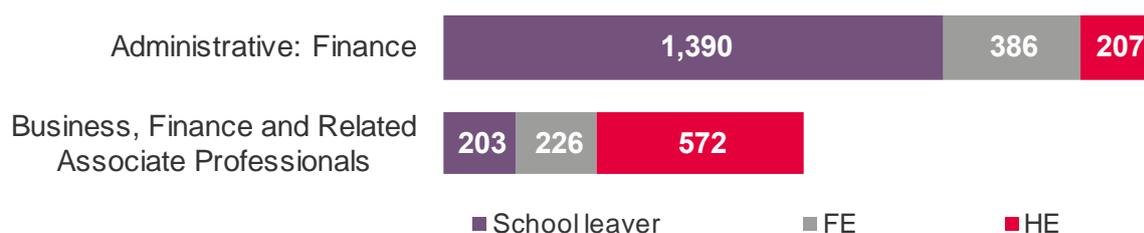
Financial Services employers on average are more likely to have vacancies locally, and regionally (but in line with the national average). Financial Services establishments with vacancies are also more likely to report these as being Skills Shortage Vacancies (SSVs).

Financial Services employers are also much more likely to report having any staff that are not fully proficient with 21 per cent stating this compared to a New Anglia, regional, and national average of around 14 per cent. However, with staff not fully proficient as a percentage of employment at two per cent (below the New Anglia average of three per cent and regional and national rates of five per cent) suggests that this is an issue for small employers in the sector.

This is further backed up by the sectors performance against training measures (such as the provision of training in the last year, and on-the-job training) where it performs above local, regional and national averages for all indicators. Conversely, training days per trainee, and trainee days per staff, are both much lower than all other comparators. Financial Services employers are also less likely to report underutilised staff than local, regional, and national averages (20 per cent compared to 25, 25, and 30 per cent respectively)

*The following makes use of data and findings available via the online toolkit <http://wheretheworkis.org/>. The findings presented are a result of combining data from the UKCES 'Working Futures' programme and job vacancy data from the Labour Market Insight tool developed by Burning Glass. The two occupations that were highlighted as relevant to the sector were 'Administrative: Finance', and 'Business, Finance and Related Associate Professionals'.*

The majority of job vacancy postings during 2015 for the Financial Services & Insurance sector in New Anglia were aimed at school leavers (53 per cent), with a quarter (26 per cent) requiring HE level skills and a fifth (21 per cent) requiring FE skills. However, a clear split in qualification requirements by occupation can be observed.

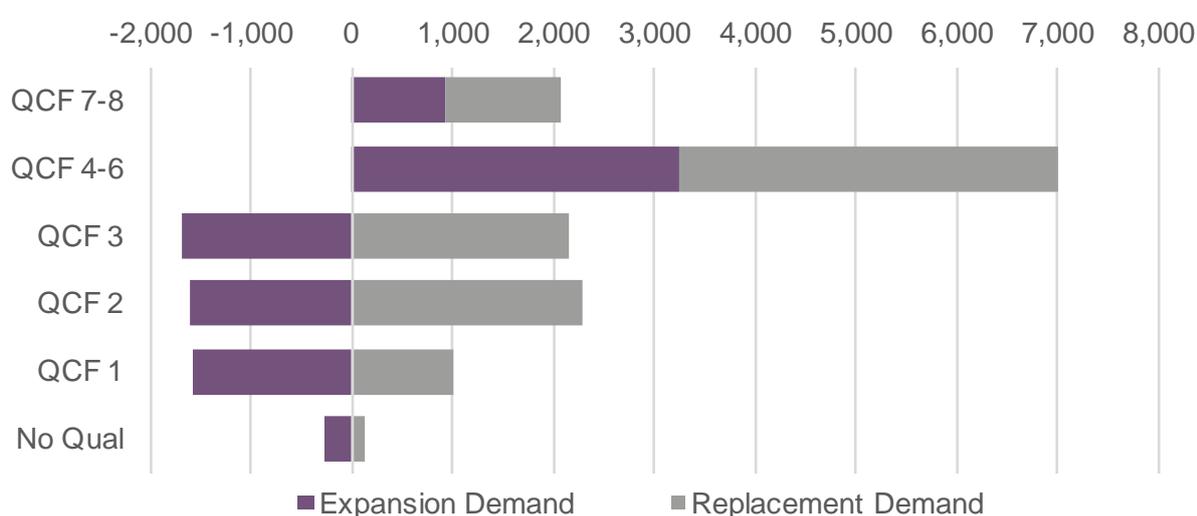


Advertised salaries for the sector in New Anglia were lower than those advertised regionally and well below those nationally.

### A Future View of the Financial Services & Insurance Sector

Looking ahead, and using information from both the East of England Forecasting Model, and the UKCES Working Futures model, then the sector is projected to decline in employment terms between 2014 and 2024 by just over three per cent (approximately 1,000 jobs).

Despite this overall projected decline in job numbers there will still be growth areas within the sector with around 4,000 new jobs at Level 4 to 6 (HE to First degree level) and above. At the same time, there will be a significant amount of existing jobs to replace as people leave the sector workforce. Over the period 2014 – 2024, replacement demand is expected to be somewhere in the region of 10,000 jobs. This places a net requirement for jobs requiring to be filled in the sector at around 14,000.



Replacement demand is set to be experienced at all qualification levels with the majority in Level 4 to 6 (HE to First degree level) roles. In terms of new jobs created (expansion demand) will be in Level 4 roles and higher with job losses in Level 3 roles and below.

## Appendix C- Current Skills and Training Provision

The listing below is not exhaustive, but is intended to give an overview of the range of provision available in Norfolk and Suffolk or accessed by companies located there. Much of the provision content for Financial Services is closely aligned with business administration, management development and economics at a Higher Education level; therefore the relevant courses offering broader course content have been included.

In addition to both FE and HE provision is a range of courses delivered either remotely or within local training centres by national private training providers. For example Kaplan have training centres in New Anglia and are a nationally accredited provider of accountancy, tax, bookkeeping and financial management.

### Higher Education

#### University of East Anglia (UEA)

- BSc Accounting and Finance
- BSc Accounting and Finance with a Year Abroad
- BSc Accounting and Management
- BSc Accounting and Management with a Year Abroad
- MSc Accounting and Finance
- MSc Banking and Finance
- MSc Behavioural and Experimental Economics
- BSc Business Economics
- BSc Business Economics with a Year Abroad
- BSc Business Finance and Economics
- BSc Business Finance and Economics with a Year Abroad
- BSc Business Finance and Management
- BSc Business Finance and Management with a Year Abroad
- BSc Business Management
- MSc Business Management
- BSc Business Management with a Year Abroad
- MSc Development Economics (and part time too)
- BSc Economics
- Graduate Diploma Economics
- MSc Economics
- Economics Postgraduate Research PhDs and Studentships
- BSc Economics and Finance
- MSc Economics and Finance
- MSc Economics and International Relations (and part time too)
- MSc Economics of International Finance and Trade
- MSc Economics of Money, Banking and Capital Markets
- BSc Economics with Accountancy
- BSc Economics with Accountancy with a Year Abroad
- BSc Economics with a Year Abroad
- MSc Finance and Economics
- MSc Finance and Management

- MSc International Accounting and Financial Management
- MSc International Business Economics (and part time too)
- MSc International Business Finance and Economics (and part time too)
- MSc Investment and Financial Management
- MBA Masters of Business Administration (part time too)
- BSc Mathematics with Business
- MSc Mathematics with a Year in Industry
- MSc Quantitative Financial Economics

### **University of Suffolk (UoS)**

- BA (Hons) Accounting and Financial Management
- BA (Hons) Business Management
- MSc Business and Management
- Chartered Manager Degree Apprenticeship
- BA (Hons) Economics
- BA (Hons) Economics, Banking and Finance
- Master of Business Administration (MBA)

### **Further Education (including HE content delivered through FE institutes)**

#### **City College Norwich (CCN)**

- L2 – Administration
- L2 – Apprenticeship in Accounting
- L2 – Intermediate Apprenticeship in Business Administration
- L2 – Intermediate Apprenticeship in Customer Service
- L2 – Intermediate Apprenticeship in Providing Financial Services
- L3 - Advanced Apprenticeship in Business Administration
- L3 – Advanced Apprenticeship in Customer Service
- L3 – Advanced Apprenticeship in Providing Financial Services
- L3 – Advanced Apprenticeship in Management
- L3 – Assistant Accountant Apprenticeship Standard Level
- L3 – Business Diploma
- GCSE AS Level – Business Studies
- L3 – Commerce and Financial Services
- L3 – Customer and Property Services
- L3 – Principles of Business – Customer Service
- L4 – Higher Apprenticeship in Business and Administration
- L5 – Leadership and Management Higher Apprenticeship
- Access to Higher Education Business Management
- BA (Hons) Business Management (Top-up)
- BA (Hons) Leadership and Management
- Accounting Certificate Level 2
- Accounting Diploma Level 3

- Accounting Diploma Level 4
- Book Keeping & Accounts Level 1
- Book Keeping & Accounts Level 2
- Excel Training

### **College of West Anglia**

- L2 & L3 – Customer Service Apprenticeship
- A Level Economics
- A Level Further Maths
- A Level Maths
- A Level Business Studies
- Access to Higher Education Diploma – Business
- L2 & L3 – Business & Administration
- L2 & L3 - Business Improvement Techniques
- L2 – Business Administration Apprenticeship
- L2 – Customer Service Apprenticeship
- L3- Customer Service Apprenticeship
- L3 – Business Administration Apprenticeship
- L4 – Business & Professional Administration Apprenticeship
- BA (Hons) in Business Management (and part time too)
- Customer Service and Selling Skills – Workshop
- Management and Leadership – L5 Apprenticeship

### **East Coast College**

- L2 – Apprenticeship in Business Administration
- L3 – Apprenticeship in Management
- L2 – Apprenticeship in Customer Service
- L3 – Apprenticeship in Customer Service
- L3 – Apprenticeship in Business Administration
- L3 – Extended Diploma in Business Management
- L4 – Apprenticeship in Business Administration
- L4 – Apprenticeship in Management
- L4 – Diploma in Business and Administration
- FdA Business Management
- Leadership & Management L2/3/4/5

### **East Norfolk Sixth Form College**

- AAT Accounting (Foundation Certificate) Single Pre-Apprenticeship
- Business (Single) BTEC Level 2 and Level 3
- Economics – A Level
- Finance (Level 1 & 2) – Additional Subjects
- Financial Studies – Level 3 Certificate
- Further Maths – A Level

- Maths GCSE, A Level, L3, Functional Skills

### **Easton and Otley College**

- An Introduction to Double Entry Bookkeeping
- Advanced Apprenticeship in Business Administration
- Intermediate Apprenticeship in Business Administration
- Advanced Apprenticeship in Customer Service
- Customer Service Practitioner Apprenticeship
- L3/4/5 Leadership and Management

### **Suffolk New College**

- Access to L 2 & L3
- Association of Accounting Technician Level 2 Foundation Certificate in Accounting
- Association of Accounting Technicians Level 3 Advanced Diploma in Accounting
- Association of Accounting Technicians Level 4 Diploma in Accounting
- Bookkeeping
- GCSE Mathematics
- L2 Diploma in Business
- L1 Introductory in Business
- L3 Extended Diploma in Business

### **West Suffolk College**

- AAT Accounting Foundation Cert. L2
- AAT Bookkeeping Foundation Cert L2
- AAT Computerised Accounting Foundation Award L2
- AAT Accounting Advanced Diploma L3
- AAT Accounting Advanced Diploma L3 – Fast track
- AAT Accounting Professional Diploma L4
- AAT Bookkeeping Advanced Cert L3
- AAT Essentials – Effective budgeting and cost control
- AAT Essentials – Management reporting for modern day finance
- AAT Essentials – Tax update
- L2 – Customer Service Practitioner
- L3 & L5 & L7 - Certificate/Award in Leadership & Management
- Customer Service Excellence – 1 day workshop
- Accounting – Advanced Apprenticeship
- Advanced Excel
- Bookkeeping Award Level 1
- Business Accounting and Finance Level 3
- Business Administration – Intermediate Apprenticeship
- Business Administrator – Level 3
- Business Diploma L 2
- Business Extended Diploma L3
- Business Management Access to HE – Level 3
- Business Management BA (Hons)
- ILM Level 7 Cert in Leadership and Management

- Improvers Excel

### **ICAEW (Institute of Chartered Accountants in England and Wales)**

- Accounting Update
- Tax Update
- ICAEW East Anglia Accounting Update
- Taking the panic out of GDPR
- LANSCA Master Class
- Anti money laundering and practice regulation update
- OMBs: What's hot in tax
- Succession planning – keeping it in the family
- Train to become an ICAEW Chartered Accountant in the Middle East
- East Anglia Tax Update
- Charities accounts and audit
- Annual PAYE, NIC and benefits update
- The Accountants' Secrets for a Buy to Let Landlord
- Finance Act 2018
- Corporation tax update