

Business & Financial Services

Workforce Development Action Plan 2002-2005



Introduction

This action plan has been developed with our partner organisations and follows initial research and consultation with employers in the sector. This action plan is one of 12 sector action plans and four generic issue action plans.

Sussex Learning and Skills Council is focused on delivering its **overarching objectives** for Sussex employers, people and communities, namely:

- A step change in the number of level 3 qualifications obtained by the under 30 year old population
- A step change in the reduction of adults who lack basic skills in literacy and numeracy
- A step change in the skills of the workforce and the ways in which employers access training

This action plan is an important tool in achieving these objectives.

"Learning brings major benefits to everyone in the community and has been proven to provide the basis for a successful economy."

Henry Ball, Executive Director, Sussex LSC

The research findings and outcome of the consultation with employers are set out on pages 2 and 3. A detailed action plan is outlined on page 4.

The Strategy

As set out in our Local Strategic Plan 2002-2005, the **demand for learning** needs to be considered in three ways:

- Economic Demand – the current and projected employer skills needs
- Individual Demand – the projected number of learners, their choices, goals and aspirations
- Community Demand – promote social inclusion and support local regeneration activities

This action plan has been developed on these **three drivers of demand**.

The Sector

The business and financial services industry is one of the key growth areas in terms of GDP and employment, and has a long-established reputation.

Activities include:

- Financial intermediation
- Insurance and pension funding
- Auxiliary activities to financial intermediation
- Real estate activities
- Renting of machinery and equipment, personal and household goods
- Computer and related activities
- Research and development
- Other business activities



> Training Supply

- In 2000/01, there were 1,942 students in Sussex studying business and finance courses in FE Colleges
- Two thirds of the students were female, and two thirds of these were aged over 25 years
- Over half of students were studying for NVQ equivalent level 3 or more, with 18% studying at level 4
- Only 10% of students dropped out of the course before completion
- There is some evidence that employers in the sector are not using local training providers, and instead use trainers from outside Sussex
- National data shows that there is significant post-educational training undertaken in the sector. 20% of the workforce received work-based training in the previous month, compared with 15% for all sectors
- Much of this training is concentrated within higher-skill occupations, such as professionals and associate professionals
- Training for managerial, clerical and secretarial workers is falling short of the optimum level

> Occupations & Qualifications

- Clerical and secretarial workers are the largest occupational group in the sector (26% of employment)
- Associate professionals (21%), managers and administrators (20%) and professionals (17%) are also strongly represented
- Together, these four occupations account for 84% of employment, compared with 58% within all service sectors
- This occupational structure is indicative of the relatively highly-skilled workforce in the sector. 39% of the sector are qualified to at least NVQ equivalent level 4, and 23% to level 3
- Much of the growth in employment in the next 10 years is expected to be in professionals (71% between 1999 and 2010) and associate professionals (56%)
- The level of replacement demand from 1998 to 2009 is forecast to be twice as high as that of expansion demand
- This net requirement will be greatest for elementary occupations
- In total, the net demand will be 9,700 workers

> Main Skills Issues

- Skills reported within the sector as being hard to find include:
 - Generic skills, notably communication, customer handling, team-working and problem-solving. This is particularly important given the emphasis towards being client-driven, rather than product-driven
 - Managerial skills among professionals and associate professionals
 - Advanced IT and software skills among professionals and associate professionals
 - Basic computer literacy among clerical and secretarial workers
 - Technical and practical skills in most occupations
- A common response to skills shortages has been for companies to pay higher wages. However this is becoming less of an option within sub-sectors such as insurance, accountancy and call centres
- There has been an upward trend in the unfilled vacancy rate in the sector, from around 20% in 1995 to around 40% currently
- However this rate is below the national and regional average, implying that business and financial services employers in Sussex experience fewer recruitment difficulties than employers in the sector in other areas of the South East. Indeed recruitment difficulties in the last three years have remained fairly stagnant
- In 2000/01, 39% of all vacancies in the sector were hard to fill, and 23% of these were skills-related
- The occupational groups with the largest numbers of hard-to-fill vacancies are clerical and secretarial workers (36% of the total), professionals (20%), sales and related workers (18%) and associate professionals (15%)

> Key Issues and Priorities

Key changes within the sector:

- Information and Communication Technology (ICT) and the impact of the internet are already revolutionising the industry and changing the skills base required
- Globalisation leading to increased competition is placing a greater emphasis on recruitment, retention and training of key staff
- Regulation has tightened the need for technically correct and competent selling, and has in turn affected training needs and impacted on companies' ability to perform
- Increasing focus on client-driven services, rather than product-driven, is associated with the increase in ICT and the growth in call centres with their ability to access clients directly and personally

Priorities for action within the sector:

- 1 Promote the sector and entry to the industry. Local training providers are particularly keen to facilitate better education-business liaison. Some companies do have links with schools and colleges but there is scope for encouraging this development further
- 2 Develop good practice in people retention, development, motivation and deployment. If the industry is to compete for talent with major competitors it needs to identify and adopt good practice in how to retain people and develop skills in a way that is measurable and that impacts the bottom line
- 3 Review qualifications in the industry. Employers felt that partnerships should be built to develop a foundation programme to the sector for those considering entering the industry
- 4 Improve competence in the industry. A single framework of competence is sought, combining those elements of competency frameworks that work and refining those that do not.
- 5 Improve the business management and enterprise for small businesses
- 6 Improve the quality of information upon which workforce development issues are identified



> Contact Us

We welcome your views and reactions to this action plan. We are especially looking for information about:

- Skills gaps and skills needs
- Hard to fill vacancies
- Future trends and challenges facing your industry

**Call the
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Objective	Actions	Timescale	Working With...
Creating a demand-led system	Develop a framework of competency in the industry enabling identification and reduction of current and future skills gaps	Start March 2003	Employer representatives, employer organisations, trade associations in business and financial sectors
	Develop a sector network of good practice in people retention, development, motivation and deployment	Start June 2003	
	Facilitate increased training provider/employer liaison to promote the sector and entry to the industry	Start March 2003	
	Improve business management and enterprise for small businesses where possible	Start July 2003	
	Engage with sector partners to improve the quality of information upon which workforce development issues are identified to support sector workforce development planning	Initial findings by December 2003	
Improving supply and capacity	Establish Colleges for Business to deliver employer-based solutions	Start July 2003	Employers, schools, FE Colleges, training providers
	Work with employers/schools/FE Colleges to review existing qualifications and develop innovative qualification structures to ensure provision closely matches the skills requirements of local companies	Start July 2003	
	Increase the future supply of an appropriately enabled workforce by working with employer/training provider partnerships to establish a foundation programme to develop personal competencies and technical skills	Start July 2003	
	Pilot a project to develop clerical/administrative qualifications to level 2	Planned by July 2003	
	Work with schools and FE Colleges to promote and develop IT capability for the industry at appropriate workforce demand levels	By December 2003	

Developing the Sussex workforce



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