

www.sfe.org.uk

Skills action plan for financial & professional services

Scottish Financial Enterprise, in partnership
with Skills Development Scotland



Scottish
Financial
Enterprise

Skills action plan for financial & professional services

Introduction

The Scottish financial services industry is facing a potential crisis over the next few years: a growing demand for skills, but a shrinking supply of people.

What can we do to address this?

Put simply, we as an industry want to attract, invest in, and retain the best people from across Scotland into a fulfilling career in financial services.

What does this mean?

- Obtaining & retaining the skills needed by the sector
- Inspiring innovation through the diversity of our professionals
- Nurturing talent & inclusion from all corners of Scotland

What is our key to success?

Continuous collaboration between:

- Businesses, who represent the industry and its priorities
- Educators, who support and advocate for the future workforce / talent pipeline
- 3rd party organisations, charities & initiatives, who support both businesses and educators
- The Workforce, ranging from young people to job-changers, job-returners, and those actively working in the industry

Setting the scene

Since launching our strategy activation plan, we have focused our efforts on completing collaborative research with SDS and SFE members to first understand what the future skills landscape looks like for financial services in Scotland.

This, together with desk-based research into the current opportunities on offer in the industry, has culminated in a **skills action plan**, designated into 3 main pillars.

Skills, Pathways, and Promotion

The plan sets out our recommendations we believe will ensure the Financial Services industry succeeds in its ambitions.

these recommendations are accompanied by measurable actions, as well as the proposal for a **financial services skills & inclusion hub** that we believe is the key to our plan's success.

Before we take a look at the plan and the Hub, let's first take a look at what the current landscape looks like...

Scotland & the financial services industry

Facts & figures

Financial & Professional Services **employs 160,000 people**, and is a leading industry in Scotland, **contributing £13.6 billion to the economy in 2021**, or **9.2% of Gross Value Added** ('GVA').

The industry includes multiple disciplines, including wealth & asset management, life & pensions, general insurance, banking, and fintech.

In this year's Global Financial Centres Index, Edinburgh and Glasgow both improved their positions from 2021 to be the top recognised UK cities outside London for financial services.

Edinburgh was also ranked 5th in the world for Human Capital, recognising our commitment to educating our workforce, as well as promoting a good quality of life.

Our ambition is for the industry to continue to rise up the rankings in future years, through ongoing sustainable investment in our key capabilities.

Scotland & the financial services industry

Key skills & roles

What occupations are in demand now?

- Solicitors
- Sales
- Programmers & software developers
- Consultants & analysts
- Chartered/certified accountants
- Tax specialists
- IT support technicians
- Digital technology

What skills are in demand now?

- Data analytics
- Cyber security
- Project management
- Customer service
- Software engineering
- Communication
- Problem Solving
- Leadership
- Stakeholder management

Opportunities in the industry

There are many organisations, initiatives, and charities in Scotland doing their part to create pathways to careers in financial services

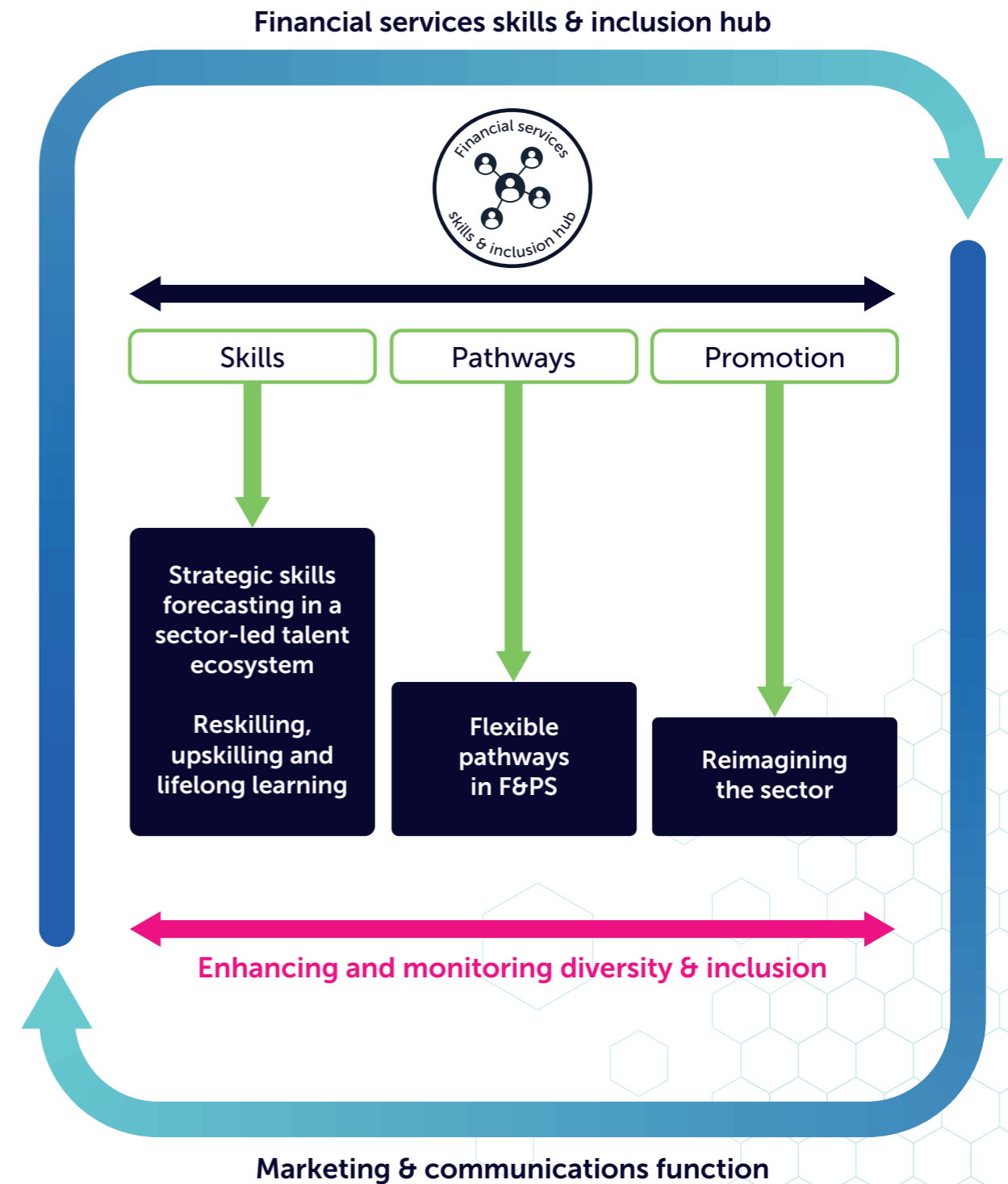


Key challenges facing the industry – what themes are we seeing?

- Our industry is changing rapidly, leading to a rise in demand for new skills
- Perceptions of our industry deter some individuals from pursuing a career in it
- The industry is fragmented, and pathways are often hard to identify
- We are not maximizing opportunities to strengthen our collaborative relationships with education
- We are not only in competition with each other, but with other industries too



Skills action plan for financial & professional services





Skills action plan for financial & professional services

WHAT IS THE AIM?

WHAT DO WE KNOW ALREADY?

WHAT ARE THE BARRIERS TO SUCCESS?

SKILLS	PATHWAYS	PROMOTION
Identifying and tracking key skills requirements, and enabling upskilling and reskilling throughout financial services careers	To simplify and join up the landscape to ensure pathways into our sector meet skills needs in an accessible & inclusive way	Challenge the industry to be a truly diverse and inclusive place to work Communicate the attractiveness of our industry to everyone who wants to be part of it
Roles in demand: <ul style="list-style-type: none"> • Programmers & Software Developers • IT Support Technicians • Analysts • Digital Technology • Tax Specialists Skills in demand: <ul style="list-style-type: none"> • Data Analysts • Cyber Security • Software Engineering • Project Management 	There are existing pathways into the industry via traditional routes (FE/HE) and via financial institutions Pathways cover Internships, Apprenticeships, Short-term work experience, Graduate programmes Pathways are offered in varying degrees to young people, career changers, older generations, or those returning to work after a long absence	FS businesses and other organisations linked to financial services have their own marketing strategies when it comes to attracting people into a career At a national level, the first exposure young people have to careers in financial services is at school
Strong competition for skills within the sector & the economy Demand is anticipated to grow at a faster rate than the pipeline of skills Keeping abreast of changing industry practice in many areas digital automation, ESG auditing, green investment Pace of technological change means employers are continually upskilling the workforce	Many pathways offered across the industry, but fragmented and not always easy to find the right path for you Lack of consistent and up to date careers advice about opportunities and career pathways Automation of functions has narrowed opportunities at entry level	The traditional image of Financial Services can make it less attractive, including for underrepresented groups For some skills in particular (digital), employers find it hard to compete in talent attraction and retention Whilst there is substantial activity, there is still significant scope to increase workforce diversity

Our ambition

A financial services skills & inclusion hub



Financial services skills & inclusion hub

Why do we need the hub?

We have a shared ambition to attract, invest in, and retain the best people from all backgrounds into a fulfilling career in financial services in Scotland.

That is the overriding ambition of our Skills Action Plan, and through the work we have done so far we believe this ambition can be effectively realised through the clarity, consistency, and collaboration of a Hub.

- ◆ **Clarity** – of skills demanded by industry, of what pathways are out there, and how our industry is perceived by potential and existing talent.
- ◆ **Consistency** – in how we address widely-applicable skills, in what pathways we signpost to talent, and in how we position Financial Services as an innovative and diverse industry.
- ◆ **Collaboration** – within industry, with educators, with existing initiatives to avoid duplicating efforts

Financial & professional services skills action plan

Our skills action plan sets out what we believe will ensure our industry succeeds in **attracting, investing in, and retaining** the best people from across Scotland into a fulfilling career in Financial Services.

Covering the 3 key themes of **Skills, Pathways, and Promotion**, our recommendations and accompanying actions can be most effectively achieved through the establishment of a **financial services skills & inclusion hub**.

We believe the hub will bring **clarity, consistency, and collaboration** to the Action Plan.

Scottish Financial Enterprise

24 Melville Street
Edinburgh
EH3 7NS

Tel: +44 (0)131 247 7700

www.sfe.org.uk



Scottish
Financial
Enterprise