

TheCityUK



FINANCIAL SERVICES SKILLS TASKFORCE

Interim report



FOREWORD

It is the people who work in financial services that make the sector such a success. The products and services they develop and provide to customers enable people to buy a home, save and invest for the future and grow businesses. It is their innovation and creativity that has made the UK a world-leading international financial centre. The sector is successful because we harness new trends and ideas that benefit our customers and enhance their experience.

Today though, we face an unparalleled challenge from the megatrends of technology and data, globalisation and demographics. These trends are disrupting financial services businesses, changing, among other things, the skills needed to run those businesses and the aspirations of those who work in them. They pose potentially existential challenges to our sector.

It was against this backdrop that the Chancellor of the Exchequer asked me to lead the Financial Services Skills Taskforce. As the Taskforce started its work, it was apparent that the scale of the challenge required a system-wide response, helping the 1.1m people in the sector across the UK to prepare effectively for the future. The challenge is so great

that it simply cannot be tackled by just tactical responses or an injection of fresh talent. This interim publication sets out this challenge in more detail.

Everyone across the sector must respond to the consequences of these megatrends, if it is to continue to serve our communities and remain globally pre-eminent. As our sector digitises, our people will need new skills to deliver these services. The most successful, wherever they are in the business, will combine digital awareness with great people skills. Structures rooted in the past will be replaced with new and different approaches and teams. Location will be less important, whether you are recruiting staff or looking for a new employer. Traditional models of businesses, jobs and skills will have to change if we are to continue to be successful.

While there are great examples of firms, chartered bodies and the education sector responding to these changes, there are some warning signs that suggest that, collectively, we are simply not doing enough. Our spend per head on training is among the lowest in the economy as a whole and our workforce at its most senior levels does not reflect the society

we serve. We need to protect and expand employment in key regional centres. We need to draw upon the widest and deepest pool of talent in order to respond to these changes. We suffer in comparison with other sectors when current and prospective employees consider our values and our future potential. Perceptions matter and addressing these will be central to the change required.

If we are to tackle these challenges, we need transformational, strategic, system-wide change. In this interim publication, we have outlined some ways in which we can address these problems. In Autumn 2019, we will publish our final report which will set out detailed recommendations which, we believe, will help the sector and its people respond to the existential challenges we face.

I am very grateful for the active engagement by sector and education leaders on the Taskforce, the team at TheCityUK, and the significant support from The City of London Corporation and EY.

Mark Hoban

Chair, Financial Services Skills Taskforce

About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. In the UK, across Europe and globally, we promote policies that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes 10% of

the UK's total economic output and employs 2.3 million people, with two thirds of these jobs outside London. It is the largest tax payer, the biggest exporting industry and generates a trade surplus greater than all other net exporting industries combined.

EXECUTIVE SUMMARY

The Financial Services Skills Taskforce was launched by the Chancellor in his Mansion House speech in June 2018 to help ensure that the sector is prepared to meet long-term skills needs over a period of unprecedented technological and social change.

The Taskforce, chaired by Mark Hoban, brings together senior business leaders from across the sector, representatives of trade bodies, chartered bodies and higher and further education to take on the challenge of ensuring we have the skills and talent we need to be globally competitive into the future.

In collaboration with TheCityUK, The City of London Corporation and EY, the Taskforce set out to:

- develop a set of actionable recommendations for the sector
- encourage adoption and delivery of the recommendations by the sector, government and education providers.

This publication sets out the initial findings of the Taskforce, based on interviews with over 50 senior individuals from across the sector, government and think tanks, as well as engagement with a wide range of senior stakeholders. It offers an overview of the forces changing the sector,

assesses how well equipped we are to deal with them, and signposts some initial thinking on recommendations to address areas of concern.

The work also outlines how the skills and attributes of those in our sector will need to evolve if we are to succeed into the future. It is clear there is much to be done and that we are not yet fully equipped for this transformation:

- skills needs are evolving faster than roles can be filled
- traditional methods of recruitment are narrowing access to talent
- perceptions of the sector's culture and purpose are not attracting people
- awareness and understanding of future roles and careers in the sector
- future demand for roles and skills not understood or available on an industry wide basis
- we risk being left behind in the race for skilled tech talent.

We therefore need to focus on our people with some urgency. The challenges we face are so great that they cannot be solved by recruitment alone. This will require a fresh approach and greater investment in training. We,

for example, have among the lowest levels of investment in training per employee of any sector, with insufficient collaboration within sectors, despite general agreement on common skills and behaviours needed in the future.

The initial findings from the Taskforce suggest four areas of potential focus:

- transforming skills across the workforce
- building and maintaining the widest and deepest pools of talent
- challenging perceptions of the sector's purpose and culture
- ensuring sector-wide transformation and a collaborative response.

Later this year the Taskforce will publish its recommendations. These will set out a road map for our sector, with support from government and the broader education sector, to tackle the challenges posed by technological and social change.

THE FINANCIAL SERVICES SKILLS TASKFORCE – COLLABORATING TO IDENTIFY THE FUTURE SKILLS NEEDS OF THE UK FINANCIAL SERVICES SECTOR

The Financial Services Skills Taskforce was set up by the Chancellor to ensure that we are prepared to meet long-term skills needs for the coming decades and can address the changes that will impact our sector.

The Taskforce

- Consists of senior business leaders across the sector, representatives of trade bodies, chartered institutes, higher and further education and HM Treasury.
- In collaboration with TheCityUK, The City of London Corporation and EY, the Taskforce will:
 - produce a set of recommendations for the industry and government to address skills and talent related challenges.
 - encourage adoption and delivery of the recommendations by industry, regulators and the education sector.

Principles & methodology

The Taskforce was established to look at how skills and job roles in the sector will change. The taskforce agreed a set of principles for its work and recommendations:

- **Collaboration** – working together to create recommendations that can be applied across the sector.
- **Ambitious, not idealistic** – recommendations that are achievable and implementable but will shift the dial.
- **Leverage existing expertise** – build on best practice from across the sector.
- **Focus on future** – addressing skills needs in the short, medium and long term.
- **Maximise impact** – prioritise actions that will have the greatest impact.

The Taskforce is not examining issues relating to international movement of talent, school curriculum or forecasting future employment figures.

In undertaking this work, we met with over 50 senior individuals within the sector, based in cities across the UK and representing organisations of all sizes. We have also consulted with policy makers, academics and thought leaders as well as individuals from outside of the sector and conducted a desk review of over 50 documents and reports. Full bibliography will be included in the final report.

Current status

- Undertaken current state assessment of the sector.
- Engaged a wide range of senior stakeholders as part of the current-state assessment.
- Conducted interviews with over 50 senior individuals including industry stakeholders, government, think tanks etc.
- Reviewed over 50 articles, reports and publications.
- Developed early recommendations and seeking stakeholder input and challenge.

The financial services sector is made up of a number of sub-sectors. The biggest of these are banking, insurance, asset and wealth management, and market infrastructure.

WE HAVE AN INDISPENSABLE ROLE SUPPORTING OUR ECONOMY AND SOCIETY

From London to Belfast, Edinburgh to Bristol, Cardiff to Leeds, our people power a world-leading international financial centre...

Who enable people to:



BUY A HOME



SAVE FOR THE FUTURE



START A BUSINESS



PLAN FOR RETIREMENT



INSURE THEIR BELONGINGS



BUY GOODS/SERVICES



AS ONE OF...

1.1 MILLION

FINANCIAL SERVICES EMPLOYEES IN THE UK

Who also help power the UK economy, through:

£75BN
...IN TAX
(ANNUALLY)



£190BN
TO GROSS VALUE ADDED
EACH YEAR BY
MEETING THE NEEDS
OF BRITAIN'S BUSINESSES
AND HOUSEHOLDS



£15.9BN
OF FOREIGN DIRECT INVESTMENT



UK FINTECH
REVENUE IN 2016
= £7BN



HELPING TO BUILD THE INDUSTRY'S:

- INNOVATION
- CHOICE
- TALENT
- COMPETITIVENESS

HOWEVER, A NUMBER OF MEGATRENDS ARE RESHAPING OUR BUSINESS ENVIRONMENT BY DISRUPTING BUSINESS MODELS, PROCESSES AND TASKS...

This is the fourth Industrial Revolution. There are many new disruptors while incumbents are all driven by similar strategies focused around cost reduction, simplification, better customer experience and adaptability. At the same time, megatrends are reshaping our business environment; re-imagining work, disrupting established business models, removing borders and blurring the boundaries between sectors.



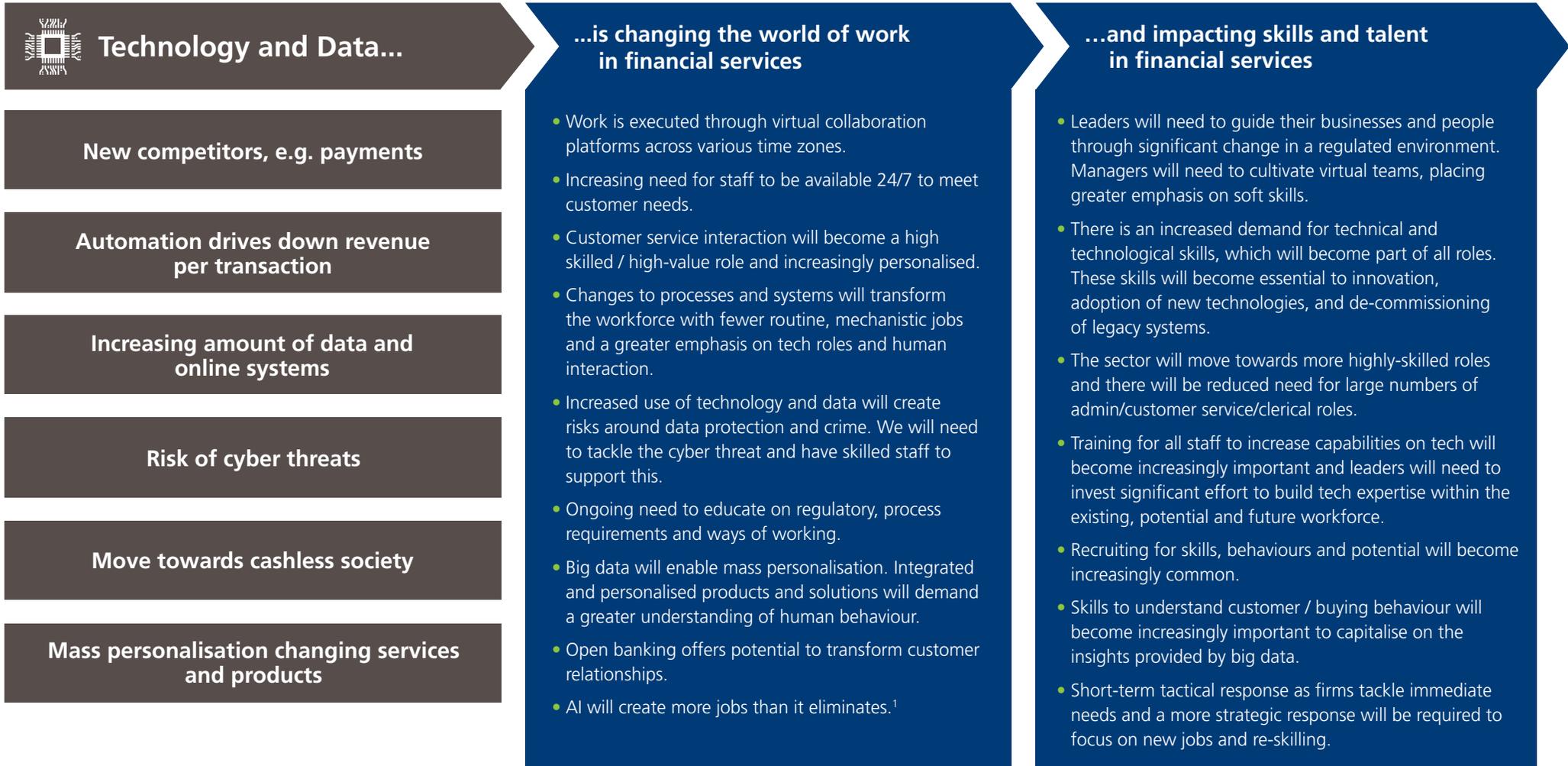
These trends raise fundamental questions for the leadership of firms and their people. The answer has to focus on people.

...AND IMPACTING ON OUR MOST IMPORTANT ASSET – OUR PEOPLE...

“Machines will do the ordinary, humans the extraordinary.”

(Industry leader)

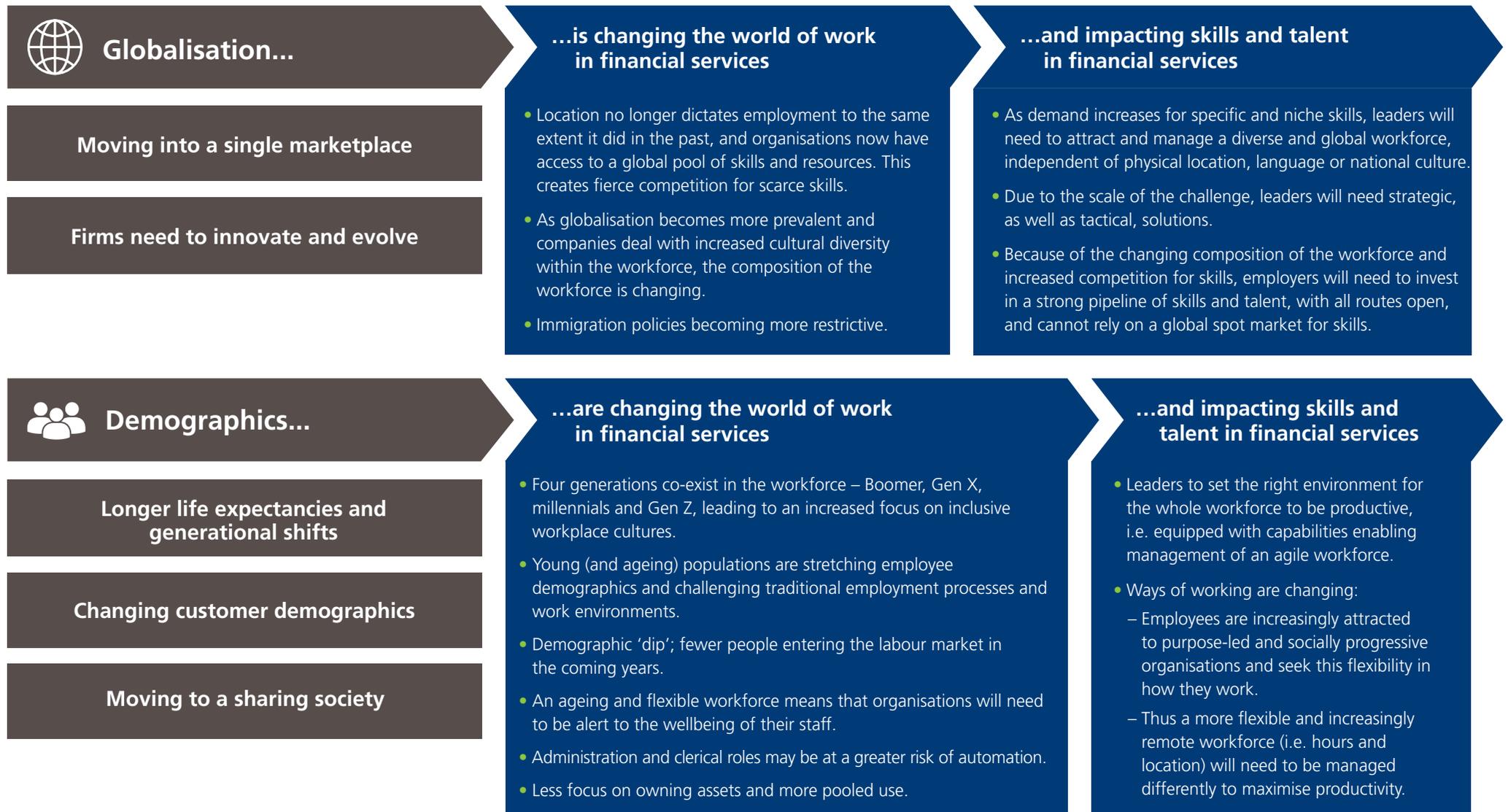
Through our research and interviews you have told us



1. Workforce of the Future; how will emerging skills and converging roles impact talent strategy (2019), Gartner.

...BY CHANGING HOW BUSINESSES OPERATE AND THE SKILLS NEEDED

Through our research and interviews you have told us



Globalisation...

Moving into a single marketplace

Firms need to innovate and evolve

...is changing the world of work in financial services

- Location no longer dictates employment to the same extent it did in the past, and organisations now have access to a global pool of skills and resources. This creates fierce competition for scarce skills.
- As globalisation becomes more prevalent and companies deal with increased cultural diversity within the workforce, the composition of the workforce is changing.
- Immigration policies becoming more restrictive.

...and impacting skills and talent in financial services

- As demand increases for specific and niche skills, leaders will need to attract and manage a diverse and global workforce, independent of physical location, language or national culture.
- Due to the scale of the challenge, leaders will need strategic, as well as tactical, solutions.
- Because of the changing composition of the workforce and increased competition for skills, employers will need to invest in a strong pipeline of skills and talent, with all routes open, and cannot rely on a global spot market for skills.



Demographics...

Longer life expectancies and generational shifts

Changing customer demographics

Moving to a sharing society

...are changing the world of work in financial services

- Four generations co-exist in the workforce – Boomer, Gen X, millennials and Gen Z, leading to an increased focus on inclusive workplace cultures.
- Young (and ageing) populations are stretching employee demographics and challenging traditional employment processes and work environments.
- Demographic 'dip'; fewer people entering the labour market in the coming years.
- An ageing and flexible workforce means that organisations will need to be alert to the wellbeing of their staff.
- Administration and clerical roles may be at a greater risk of automation.
- Less focus on owning assets and more pooled use.

...and impacting skills and talent in financial services

- Leaders to set the right environment for the whole workforce to be productive, i.e. equipped with capabilities enabling management of an agile workforce.
- Ways of working are changing:
 - Employees are increasingly attracted to purpose-led and socially progressive organisations and seek this flexibility in how they work.
 - Thus a more flexible and increasingly remote workforce (i.e. hours and location) will need to be managed differently to maximise productivity.

WHAT DOES THIS MEAN FOR THE FUTURE?

Our key competitive advantage will remain our people, yet the war for talent will intensify.

Some roles will be eliminated altogether, but new roles will also be created.

The onus for ongoing learning will be on the individual, with support from employers and the education sector.

The reliance on higher skilled talent will increase.

There will be growth in technical and digital roles, but these will not necessarily be filled by tech specialists.

Culture change will be crucial and will involve a longer-term outlook and solution.

All roles will change in some way, with new task and skills requirements.

A continuous learning mindset and capability will determine future success.

Our employees will need a more varied and diversified skill set to advance their careers.

WHAT DOES THIS MEAN FOR THE FUTURE?

“ It’s an augmentation of roles and skills. ”

(Education sector leader)

A fundamental shift in job roles

Current State

Leadership – Examples include

- Chief Investment Officer
- Chairperson
- Director
- Chief Counsel



Professional – Examples include

Corporate treasury, finance and accounting, legal, risk manager, strategic manager, compliance, IT operations, HR, claims handling, account management, asset manager, analyst



Specialist Skills – Examples include

Tech, cyber, innovation, product design, software, cloud, AI

Admin, Clerical – Examples include

Transaction processing, payments, settlement, customer service, sales



Drivers of Change...

New roles and capabilities

Increasing utilisation of tech

Marketplaces and blockchain

Automation and back office digitisation

Ways of working

Data, predictive analytics, and proposition-led banking

Operational optimisation

Future State (10 years)

Leadership – Examples include

- Chief Innovation Officer
- Chief Data Officer
- Chief Digital Officer
- Chief Technology Officer



Professional – Examples include

- Data analyst
- Business intelligence analyst
- Data modeller
- Call centre architect
- Fraud investigation manager
- Compliance specialist
- Customer support specialist
- Social media manager
- Green finance specialist
- Skills curator



Automation

- Increasingly sophisticated processes
- Transactions
- Payments

Specialist Skills – Examples include

- Big data scientist
- Data engineer
- Web technologist
- Middleware manager
- Voice networks specialist



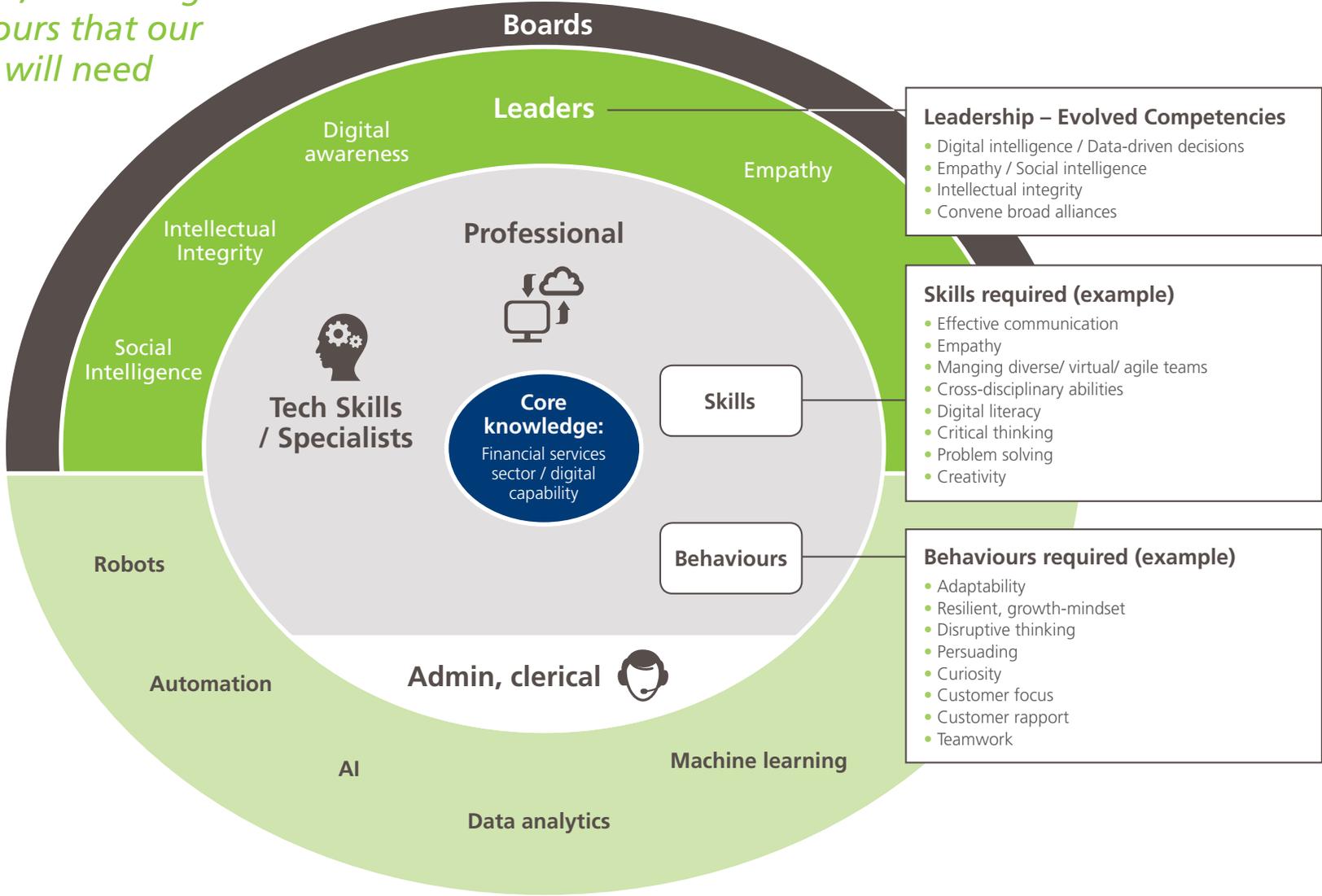
Admin, Clerical

WHAT DOES THIS MEAN FOR THE FUTURE?

A fundamental shift in the skills, knowledge and behaviours that our people will need

“ We need to reframe the attributes we look for. The City still looks for conformity, whereas the focus should be on behaviours. ”

(Industry leader)



ARE WE READY FOR THIS TRANSFORMATION?

We need to transform today's financial services workforce if the sector is to face the future with confidence, however...

“ We need to ensure that retraining programmes anticipate and outpace redundancy programmes. ”

(Industry leader)

1 Growing skills gaps

The financial services sector has growing skills gaps...

30% Skills gaps increased by 30% between 2015-2017. Skills gaps density fell in all other sectors except one.



Skills gaps in financial services

- Sales and customer skills
- Management and leadership skills
- Specialist technical skills

Source: Department for Education, "Employer skills Survey 2017" (2017)

2 Dependency on skilled workers

The sector is more dependent on the highest and lowest skilled workers than the economy as a whole...

60% of financial services employees are in highly skilled roles, compared to 45% in the whole economy

However, administrative and secretarial occupations make up **25%** of roles compared to 10% across all sectors

Source: TheCityUK calculations based on Nomis, 'Annual Population Survey/ Labour Force Survey open access', (January 2019)

3 We can not recruit our way out of this problem

In order to remain competitive, financial services will need to attract, reskill and retain the widest possible pool of talent...

The number of apprentices in the sector is increasing, but remains far below other sectors accounting for only **3%** of apprenticeships nationally

Number of graduates recruited into the sector declined by **11%** between December 2017 and December 2018.

In 2018, **11.5%** of workers in private industries changed jobs, suggesting that **125,000** financial services workers changed jobs.

Source: Department for Education, "Apprenticeships in England by Industry Characteristics 2016/17 Academic Year", (2018)
Highfliers, "The Graduate Market in 2018" (2018) & "The Graduate Market in 2019" (2019)
ONS, "analysis of job changers and stayers" (2019)

ARE WE READY FOR THIS TRANSFORMATION?

“ We can only solve the challenges if we think differently to how we have done things in the past. ”

(Industry leader)

Traditional methods of recruitment limits our access to talent

4 Greater diversity is needed

Sector and societal demographics remain out of kilter

Men in financial services employment in 2018 totalled **53%** of the workforce compared to **47%** for women



While half of the workforce is female, only **a third** of senior managers are

Around **9 OUT OF 10** workers are white^{1,2}

1. TheCityUK calculations based on Nomis, 'Annual Population Survey/ Labour Force Survey open access', (January 2019)
 2. TheCityUK calculations based on Nomis, 'Annual Population Survey/ Labour Force Survey open access', (December 2018)

5 Leadership roles are concentrated in London

The spread of leadership roles is not even across the country,

although **TWO THIRDS OF JOBS** are located outside London,³ and different roles are concentrated in different regions and cities, e.g. Edinburgh has the second highest number of jobs in the sector after London.



3. TheCityUK 'Key facts about the UK-based financial and related professional services 2019' (May 2019)

6 High reliance on migrant talent

The UK financial services sector employs a high proportion of people from the EU and the rest of the world...

Over **1 in 4** employees in the sector in London are non-uk citizens



16.9% EU **11.4%** rest of the world

37% of our industry face difficulties engaging non-EEA staff to work outside of London and the south east⁴



4. TheCityUK, EY 'The UK's immigration system and access to talent' May 2018

ARE WE READY FOR THIS TRANSFORMATION?

Perceptions of our working culture and purpose deters talent from working in our industry

“ In order to attract the right talent, we need a better story on what the sector does for ordinary people and what it offers as a career ”

(Industry leader)

7 The benefits of an aligned learning approach are not fully realised

Lack of clarity and limited push communications reduces alignment between the employer and individual's learning journey...

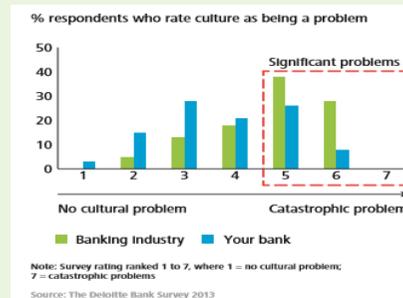
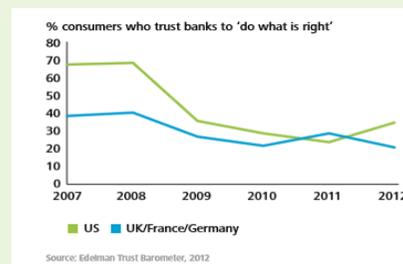
In a recent survey, **61%** of executives report challenges in moving their organisations toward external self-directed learning¹

2/3 employees say they know what they need to learn but

40% say they can't find what they need to learn²

8 Declining trust in financial services

For example, consumer trust in banks has declined and there is a perception that culture is a significant problem....



9 Waning attraction

The attractiveness of working in financial services has declined....

There has been a decrease from **43% to 28%** of MBA graduates from leading schools entering financial services between 2007 and 2016³

10% of young professionals working in financial services plan to stay in their role long term (compared to 18% across all sectors)⁴

Fewer than **40%** of students associate creativity and a dynamic work environment with working in banks, but value these elements in their future employer⁵

1: Deloitte, '2016 Human Capital Trends', (2016)

2: CIPD, 'Driving the New Learning Organisation: How to unlock the new learning potential of L&D' (2017)

Source: Deloitte (2013), 'Culture in Banking: Under the Microscope', The Deloitte Bank Survey 2013

3: PwC, 'Millennials at Work: Reshaping the workforce in financial services' (2012), p.6

4: The Economist, 'Banks? No Thanks', (2014)

5: Highfliers 'The Graduate Market in 2018' (2018)

ARE WE READY FOR THIS TRANSFORMATION?

We risk being left behind in the race for skilled tech talent

“ The future belongs to the nerd with people skills. Currently we recruit those who are nicely rounded as opposed to spiky. We need to redefine the attributes for success ”

(Industry leader)

10 Technology will fundamentally change the way we do business

Technology is driving operational change...

The financial services sector is promising to be a significant adopter of technologies.

Technology adoption in financial services 2018–2022 (%)

| | |
|------------------------------------|----|
| User and entity big data analytics | 86 |
| App and web-enabled markets | 89 |
| Internet of things | 65 |
| Machine learning | 73 |
| Cloud computing | 65 |
| Digital trade | 70 |
| Blockchain | 73 |
| Encryption | 73 |

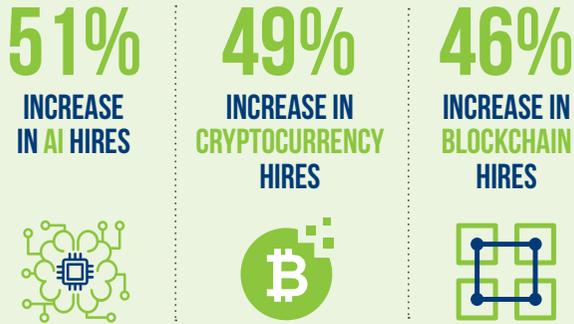
Source: Future of Jobs Survey (2018), World Economic Forum

11 Increasing competition for technology skills

There will be an increased need to recruit employees with tech skills....

There will be a change in the type of talent required, with a need for depth in digital skills such as data analytics and cyber security.

UK recruiters have seen a

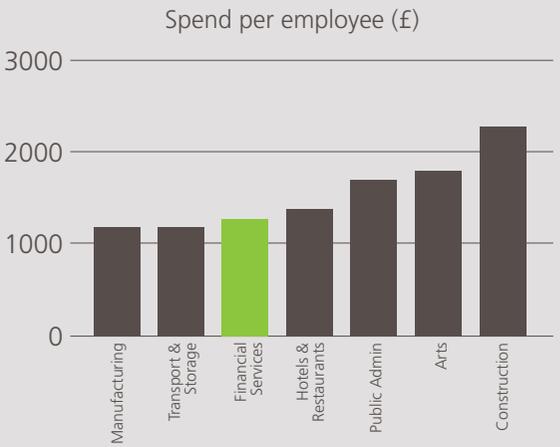


Source: TheCityUK, EY 'Fuelling Fintech' March 2019

12 Low training spend

...financial services has a lower relative spend on training

3rd lowest spend per employee of any sector and **2nd lowest** spend per trainee



Source: Department for Education, 'Employer skills Survey 2017' (2017)

TO SURVIVE, WE NEED TO ACT

Technology, globalisation and demographic change is becoming increasingly disruptive, changing future skill requirements and job roles

1

Recruitment and a reliance on migrant talent are insufficient to close the growing skills gaps, and emerging talent paths are currently insufficient

2

Diversity is lacking in workforce composition and geographic distribution

3

Declining trust in and attractiveness of the sector makes it harder to compete for skills

4

Investment in learning is insufficient and less effective than it could be

There will be unparalleled change in job roles due to digital transformation. The demand for highly skilled technical expertise will grow and the majority of the workforce will be in skilled roles that blend sector knowledge with technical expertise, and place more emphasis on skills and behaviours.

Our biggest asset is the 1.1m people who already work in the sector

We need a fundamental shift in how we invest in our people to continue our success into the future....

OUR THOUGHTS ON POTENTIAL RECOMMENDATIONS

To remain competitive and win the war for talent, we need to:

1 Transform skills across the workforce 

- Deeper training content.
- Common accreditation / validation.
- Greater investment in training.

2 Build and maintain the widest and deepest pools of talent 

- Increase diversity and inclusion.
- Cultivate continuous learning mindsets.

3 Challenge perceptions of sector purpose and culture 

- Strengthen our value proposition to attract, motivate and retain talent.
- Cultural change and creating purpose-led organisations.

4 Ensure system-wide transformation and a sector-wide response 

- Share best practice and lessons learned.
- Greater collaboration and coordination of activities to build skills.

Initiatives are currently....

- Variable / patchwork of activity.
- Firm specific with little collaboration.
- Difficult to transfer / scale individual initiatives.
- Lack of in depth training on offer.

Principles of what we need:

- A comprehensive offer to the whole sector.
- Credible and detailed actions.
- Actions that can be measured and verified to ensure meaningful progress.
- Application of lessons learned from other countries doing it well.

In detail this could mean...

TRANSFORM SKILLS ACROSS WORKFORCE

“ In the hunt for talent we can’t afford to exclude any channel: apprenticeships, external hires, re-skilling ”

(Industry leader)

Through more effective training, empower people

| What do we have now? | What does ‘great’ look like? | Likely focus on recommendations for final report |
|--|--|---|
| <ul style="list-style-type: none"> • Third lowest level of investment in training per employee. • 28% of employees received no training in 2017. • Wide range of re-skilling initiatives on a firm, regional, or sectoral level but with limited collaboration. • Limited in depth training on offer. • Fragmented landscape of provision. • Limited accreditation of employer-led training.¹ | <ul style="list-style-type: none"> • All employees receive a training offer focused on developing skills, behaviours and technical competencies in addition to mandatory training related to compliance/ regulation. • Greater investment in training – Higher than average spend per employee on training. • Common standards in use across the sector allowing mutual recognition of attainment and competency. • Healthy market place of high quality, agile and relevant training provision. • Apprenticeship levy used flexibly and with greater impact. • Sector collaboration to define and regularly update future skills needs. | <ul style="list-style-type: none"> • Increase investment in training. • Utilise apprenticeship levy for re-skilling. • Stimulate market for relevant training, particularly longer-term in depth provision of priority skills and competencies. • Develop common standards for assessment and accreditation. • Continuous learning and development to become the norm for all employees. • Ringfence time for training. |

Recommendations will need to address geography and diversity

- Training offer to be equitable across the workforce in all locations, with potential for positive action to level the playing field for under-represented groups, e.g. women, BAME, socio-economic background and specific locations.

1: Department for Education, “Employer skills Survey 2017” (2017)

BUILD AND MAINTAIN THE WIDEST AND DEEPEST POOLS OF TALENT

“ Diversity in the sector is achievable if the sector is prepared to challenge itself and evolve ”

(Industry leader)

| Strategies for recruitment and retention will need to change | | |
|---|---|--|
| What do we have now? | What does 'great' look like? | Likely focus on recommendations for final report |
| <ul style="list-style-type: none"> • Historic reliance on graduate recruitment, limited take up of other routes in (but these are growing). • Some companies shifting to recruitment on potential not polish. • Engagement with pipeline is fragmented and uncoordinated. • Diversity still a challenge – fragmentation of measures and standards with no overall benchmark of performance on diversity as a whole. | <ul style="list-style-type: none"> • Clear narrative on what we offer as an interesting and attractive career choice, including the value of the sector to society. • Clear and coordinated information on routes in. • Multiple routes in that lead to the same progression point in a career (e.g. parity for degree apprentices and graduates). • Single recruitment gateway for each route used by all employers • All jobs are advertised (in particular all entry level jobs advertised via Jobcentre Plus). • Ambitious commitments on diversity for all characteristics including recruitment and progression of diverse talent. • Higher levels of internal mobility based on up and re-skilling. | <ul style="list-style-type: none"> • Creation of a common gateway for routes in and a commitment by all employers to use it. • Commitment to advertise all jobs and opportunities (e.g. work experience, internships, returnships etc). • Strengthened and open routes in, e.g. routes from college, apprenticeships etc. • Commitment to recruit from all universities, not a select few. • Recruitment assesses for skills, behaviours, mindset and capability. • Coordinated efforts on engaging the pipeline e.g. replicate PRIME, create industrial placements scheme. • Inclusive practices embedded throughout an organisation to support progression. |

Recommendations will need to address geography and diversity

- Engagement with pipeline to reach whole country; support provided for candidates to access opportunities (e.g. travel accommodation); specific programmes to level the playing field for under-represented groups in terms of recruitment and progression.

CHALLENGE PERCEPTIONS OF PURPOSE AND CULTURE

“ I believe the financial services sector is well placed to fight its corner on attractiveness ”
 (Industry leader)

Collectively demonstrate our positive impact and the opportunities in our sector

| What do we have now? | What does 'great' look like? | Likely focus on recommendations for final report |
|---|--|--|
| <ul style="list-style-type: none"> Concerns about our role and culture creates barriers to recruitment and retention. Financial services is not in the top ten preferred sectors for UK graduates. Graduates are instead choosing careers with businesses in progressive industries, such as technology. Positive work engaging in career choices in schools by individual companies and organisations, e.g. discover risk, Investment 20/20, but does it have the required impact and scale? Few employers host work experience placements. | <ul style="list-style-type: none"> Clear narrative on purpose and value to society, and our contribution to tackling its problems, e.g. climate change. Offer an appealing working environment and strong career development opportunities. Agile movement between roles to support acquisition of new skills and retention of talent. Coordinated activity prompting selection of the sector as a career choice, with employers supporting a common message and set of actions. Work experience placements, t-level placements and industrial placements for undergraduates offered across the industry at a significant volume. | <ul style="list-style-type: none"> Joint narrative on what the sector offers to potential employees and to society. Joint action on careers activity. Commitments to provide placements. Firms individually and collectively need to address purpose and culture to strengthen attractiveness. |

Recommendations will need to address geography and diversity

- Articulate career opportunities specific to each region and closely align these with education and careers offer in each area.
- Positive action to ensure equitable offer of opportunities by region and characteristic.

ENSURE SYSTEM-WIDE TRANSFORMATION AND AN INDUSTRY WIDE RESPONSE

“ Very few employers think about the skills they need in a lot of detail ”

(Education sector leader)

| No one firm can solve these challenges alone | | |
|--|---|---|
| What do we have now? | What does 'great' look like? | Likely focus on recommendations for final report |
| <ul style="list-style-type: none"> • Variable approaches to re-skilling. • Some regions are forging ahead with productive partnerships with academia and training providers e.g. Glasgow, Belfast, often on a bilateral basis. • A patchwork of local initiatives led either by government or industry to grow the financial services sector. • Action on diversity is largely disparate and siloed. • Limited forecasting of future skills needed across the sector. | <ul style="list-style-type: none"> • Re-skilling and workforce training embedded in business' strategic plans. • Productive and high impact multilateral partnerships in place with education providers (universities, colleges and others) providing a skilled workforce. • Good practice shared across the sector. • Coordinated and detailed forecasting on future skill requirements, providing relevant insight to education and training providers. • Centres of excellence/ specialisation in regions, providing the specific, cutting-edge expertise that the sector requires. • Industry leadership on diversity and commitments to common standards and joint action, e.g. Women in Finance Charter. • Productive collaboration realising economies of scale. • Coordination at a local or regional level to promote financial services growth. • Collaboration on standards for apprenticeships, t-levels, degrees etc. | <ul style="list-style-type: none"> • Re-skilling and ongoing learning to be a core part of each company strategy and the sector's plans for growth. • Strengthened regional strategy and development of centres of excellence. • Collaborative action on workforce planning. • Leadership on diversity / inclusion. • Collaboration within the sector on strategic workforce planning and re-skilling. • Commitments on inclusive employment. • Build on what works and can be scaled; avoiding duplication. |

Recommendations will need to address geography and diversity

- Identification of specialisms in each region to develop a network of financial services specific specialties to support innovation and productivity.
- Strong leadership required to go further and faster on diversity and draw together the disparate activity.

WE CAN MAKE A POSITIVE OFFER TO OUR PEOPLE

Our people are our most valuable asset. With over 1m people choosing to work in the sector throughout the UK, we can only continue to attract, motivate and retain our people by demonstrating that we:

- **Co-invest in learning and development with our people** – the sector recognises the need to acquire new skills, and therefore stands ready to support employees, providing learning and development opportunities to enhance their capabilities and accelerate their career development.
- **Provide broad career experiences** – that utilise the diverse skill sets of all our employees and offer good career paths.
- **Offer opportunities to shape the financial institutions of the future** – our people will be at the forefront of the application of greater technology allowing for better outcomes for customers and society.
- **Enable a career where our people can contribute to a greater purpose** – supporting individuals to buy a home, save for later life and insure their belongings while playing a vital role in communities throughout the UK.
- **Operate as a global leader** – as a global leader, the sector is at the cutting edge of new innovations and advancements. Our people therefore benefit from operating in this learning environment.

LIST OF TASKFORCE MEMBERS

| Contact | Job Title | Member Company |
|----------------------|--|--|
| Alistair Jarvis | Chief Executive | Universities UK |
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| Chris Turpin | Regional Managing Director, EMEA | First State Investments *As The Investment Association* |
| Claire Tunley | Head of Skills Policy | City of London Corporation |
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| Jonathan Holt | Head of Financial Services | KPMG |
| Jules Constantinou | President of the Institute & Faculty of Actuaries | Gen Re |
| Kirstie Mackey | Director of Citizenship & Consumer Affairs | Barclays plc |
| Marcus Scott | Chief Operating Officer/ FD | TheCityUK |
| Mark Hoban | Chairman | Flood Re |
| Michael Cole-Fontayn | Chairman | Association for Financial Markets in Europe (AFME) |
| Nathan Bostock | Chief Executive | Santander UK plc |
| Omar Ali | Managing Partner, UK Financial Services | EY |
| Peter Pledger | Chief Executive Officer | Formerly at National Skills Academy for Financial Services |
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| Simon Culhane | Chief Executive | Chartered Institute for Securities and Investment (CISI) |
| Simon Thompson | Chief Executive | Chartered Banker Institute |
| Stephen Noakes | Transformation Director Retail & Community Banking and Ambassador for the South West | Lloyds Banking Group |

FUTURE SKILLS / MINDSET / CAPABILITY GLOSSARY

| Skill / Mindset / Capability | Description |
|------------------------------|--|
| Active Listening | The ability to be deeply engaged in and attentive to what the speaker is saying. |
| Adapting | Practical, everyday skills needed to function and meet the demands of one's environment, including the skills necessary to effectively and independently take care of oneself and to interact with other people. |
| Analytical Thinking | The ability to identify and define problems, extract key information from data and develop workable solutions for the problems identified in order to test and verify the cause of the problem and develop solutions to resolve the problems identified. |
| Business Acumen | Keeness and quickness in understanding and dealing with a business situation in a manner that is likely to lead to a good outcomes. |
| Cognitive Flexibility | Cognitive flexibility is the human ability to adapt the cognitive processing strategies to face new and unexpected conditions in the environment. |
| Collaborating | The process of interacting and requires individuals to work together toward a common goal. |
| Cognitive Flexibility | The human ability to adapt the cognitive processing strategies to face new and unexpected conditions in the environment. |
| Complex Problem Solving | The ability to reduce the barrier between a given start state and an intended goal state with the help of cognitive activities and behavior. |
| Creativity | The ability to generate products or ideas that are both novel and appropriate. |
| Critical Thinking | The ability to think in the most, reasonable, reflective way that is focused on deciding what to believe or do. |
| Cross-disciplinary abilities | The ability to build effective networks and act with agility. |
| Coordinating with Others | The ability to understand the details of a problem and find creative solutions. |
| Complex Problem Solving | The ability to understand the details of a problem and find creative solutions. |
| Customer centricity | The ability to focus on creating a positive experience for the customer. |
| Customer rapport | The ability to build a relationship of mutual understanding and trust with customers. |

FUTURE SKILLS / MINDSET / CAPABILITY GLOSSARY

| Skill / Mindset / Capability | Description |
|------------------------------|---|
| Curiosity | The desire to learn or know more about something or someone. The starting point to every great idea, invention and new business. A focused or exploratory inquisitiveness that motivates us to connect what we don't know to what we do know. |
| Creativity | The ability to come up with something new, or consider something – a conflict between employees, a data set, a group project – in a new way. |
| Digital Literacy | The ability to find, evaluate, utilise, share, and create content using information technologies and the Internet. |
| Disruptive thinking | The ability to create big ideas and successfully craft and deliver out of them solutions with significant client's business outcome. |
| Emotional Intelligence | The ability to recognise, understand and manage feelings and emotions, as well as those of others. |
| Effective Communication | The process of effectively understanding and sharing meaning between two parties. |
| Empathy | The ability to understand and share another person's experiences and emotions; and the ability to share someone else's feelings. |
| Growth mindset | The belief that intelligence can be developed. Employees with a growth mindset understand they can get smarter through hard work, the use of effective strategies, and help from others when needed. |
| Learning agility | Ability and willingness to learn from experience, and then apply that learning to perform successfully under new situations. |
| Persuading | A conscious attempt by one individual to change the attitudes, beliefs, or behaviour of another individual or group of individuals through the transmission of some message. |
| Problem solving | The process of engaging in tasks or finding solutions to difficult or complex issues and when the solution method is not known in advance. |
| Resilience | The process of adapting well in the face of adversity, trauma, tragedy, threats or even significant sources of stress. |
| Self-awareness | The introspection or the process of looking inside oneself to enhance self knowledge. |
| Teamwork | A cooperative process that allows ordinary people to achieve extraordinary results by working together. |

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