



The Skills System in the UK

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Summary

As the world's leading professional body for insurance and financial services, the CII provides exams, qualifications and training for those within the sector. We are also engaged in promoting insurance and financial services to attract the best new talent as well as supporting the development of those already working in the sector.

- The skills landscape is too complex – it needs simplifying to restore confidence and encourage more employer engagement. We support the UK Commission for Employment and Skills' work to tackle this.
- Within financial services, the current system needs to better recognise the work of professional bodies and draw on our history and experience.
- Investment in skills is key, whether by the state or by employers – especially in a downturn in order to be better prepared for the recovery.

Policy Background

Throughout the economic crisis the issue of skills has remained at the top of the political agenda and its importance cannot be underplayed. In a major review of UK skills, Lord Leitch set out the need for greater progress on raising skill levels to improve this country's international competitiveness. His [report](#) shaped subsequent government policy and investment including the creation of the [UK Commission for Employment and Skills](#) (UKCES) and the introduction of [Train to Gain](#).¹

A [UKCES report](#)² has shown, however, that not enough progress is being made towards the Leitch goals and that there is the real danger that UK skill levels will lag behind our international competitors.

The desire to improve skill levels has led to the growth of a complicated landscape with a raft of bodies at national, regional and local with varying responsibilities. It is also hampered by constant change – the most recent being the winding down of the Learning and Skills Council (to be replaced by two new bodies).

Financial Services Skills Landscape

Professional bodies like the CII play a central role in the skills system within financial services. However this is presently in stasis with the announcement earlier this year by the UKCES that the body that oversees skills development in our sector, the [Financial Services Skills Council](#), had failed to be relicensed. The FSSC is now under review with a decision on its future expected by the end of the year. It remains to be seen what form the FSSC will take as a result and how the system will work in the future.

CII Position

The CII, as the leading professional body for insurance and financial services, is heavily involved in the ongoing skills debate, both at a national and industry level.

¹ *Leitch Report on Skills* <http://www.dcsf.gov.uk/furthereducation/index.cfm?fuseaction=content.view&CategoryID=21&ContentID=37>

² *UKCES Ambition 2020: World Class Skills and Jobs for the UK*, May 2009 <http://www.ukces.org.uk/server.php?show=conFileDoc.4>

- We believe that it is right that the Government and employers take the long term view when it comes to skills development. In an economic crisis it is all too easy to be distracted by short term issues. The UKCES has promoted skills investment during a downturn and our members agree with this sentiment. Our own research indicates that over two thirds believe that investing in training now will put companies in a stronger position for the recovery ([CII Skills Survey 2009](#)).³
- The current skills system needs to be simplified and we support the work of the UKCES in this area. The difficulty, complexity and politicisation of skills and funding, and their organisations, can't be overstated. At present it is a complicated web – one which discourages engagement by employers and individuals who not sure where to go. There also exists areas of duplication which lead to waste. If this were to be addressed, with less money spent on bureaucracy, then more could be made available to the front line.
- Skills in financial services – we are pleased that the UKCES is looking at role of the skills council (FSSC) within financial services and hope that what emerges is a system that better reflects the needs and experience of the sector.
- There is a long established set of professional bodies in financial services which need be better recognised in future skills planning. Our representative nature, excellent employer links and sector knowledge are of great value. We are funded through our members and services and so there is no cost the taxpayer. The long tradition and experience of professional bodies show that we have been getting it right and have earned the respect of the industry and those who work within it.

CII work to promote the skills agenda

Annual Membership Skills Survey: The [annual survey of our membership](#)⁴ on skills issues always receives a high response and provides a valuable view of what is happening in our sector with regards to skills shortages, quality of entrants etc. The results help to define our policy direction in this area.

Promoting careers in insurance: In 2006, in association with a number of major insurance firms, the CII launched the award-winning [Talent Initiative](#) with the aim of improving university students' knowledge about insurance careers and enticing the best entrants into the sector. This will shortly be extended beyond universities to cover schools, colleges and Apprentices. This will include an enhanced web proposition, visits to education establishments, the provision of information materials and the arrangement of work placements. We will be engaging with more young people and from an earlier age as a result.

Development of courses in association with universities and colleges: we are working with universities and colleges to ensure those students who chose financial services as a career path are well prepared. This includes sandwich degrees (such as with the University of Bradford), foundation degrees (like with Blackburn College) as well as our Accreditation of Prior Learning Scheme which has been taken up by 45 universities (whereby prior learning is counted towards a CII qualification). Some Further Education colleges will be offering the BTEC qualification with our IF1 module to generate interest in the profession before people have made a career choice.

Promotion of Apprenticeships & help to navigate funding system: We work closely with Apprenticeship providers and employers to bring together supply and demand so as to best meet the needs of our profession. At present there are Apprenticeships both in [insurance](#)⁵ and [financial services](#)⁶ that contain CII qualifications. We also provide information to our members to help them navigate the funding system.

The CII is the world's leading professional organisation for insurance and financial services, with over 93,000 members in 150 countries. We are committed to maintaining the highest standards of technical expertise and ethical conduct in the profession through research, education and accreditation. Our Charter remit is to protect the public by guiding the profession.

For more information on the CII and its policy and public affairs function, including examples of the range of issues in financial services and insurance that we cover, please see: www.cii.co.uk/policy.

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³ http://www.cii.co.uk/downloaddata/Skills_Survey_Summary_2009.pdf

⁴ The full CII skills survey report is published on our website: http://www.cii.co.uk/downloaddata/CII_Group%20Skills_Survey_Presentation_09.ppt

⁵ <http://www.cii.co.uk/generalinsurance/apprenticeships/apprenticeship.aspx>

⁶ http://www.cii.co.uk/financialservices/apprenticeships/apprenticeship_about.aspx