

### Sector Definition

The financial sector is responsible for managing the money of individuals and businesses. The services provided by the sector can include banks and building societies, investment funds, accountancy, consumer finance, credit card companies, insurance and financial planning.

### At A Glance

**>2,600**

Enterprises in  
Greater Essex

**>25,000**

Employees in  
Greater Essex

**>11,000**

Job postings in  
2015

Highest no. of  
employees in  
Chelmsford

### Top Skills in demand:

- **Accountancy**
- **Business Management**
- **Bank Reconciliation**
- **Account Reconciliation**
- **Financial Accountancy**
- **Claims Adjustments**

### NATIONAL HEADLINES

In 2014, the Financial and Services sector contributed towards 7% of the UK workforce and provided 12% of the total economic output.

In the UK, there are 2.2 million people employed in the financial sector; two-thirds are employed outside London.

The UK is home to the second largest pension industry in the world.

The proportion of vacancies that are hard to fill in Financial and Services due to a shortage of people with the right skills has doubled since 2013, according to the latest annual Employer Skills Survey from the UK Commission for Employment and Skills.

UKCES has also revealed that the Financial and Services sector has seen the sharpest rise in skills shortages, rising from 10% in 2013 to 21% in 2015.

### LOCAL & REGIONAL HEADLINES

According to research by specialist recruiter Robert Half, 63% of Finance Executives in London and the South East foresee new positions being added to their team during the first half of 2016, compared to just 58% on average across the UK.

However, almost all (99%) of the Senior Financial Services Executives surveyed felt that finding the right quality of finance professionals was a challenge, while 85% said they were either somewhat, or very, concerned that their top performers may leave for another job opportunity this year.

According to [www.thecityuk.com](http://www.thecityuk.com) the East of England Financial and Related Professional Services sector has recovered strongly over the past two years.

Chelmsford, Colchester and Basildon have the highest proportion of finance vacancies.

## SUMMARY OF SECTOR

The UK is home to a world leading financial centre. In the UK, nearly 2.2 million people are currently working in the financial industry, and two thirds of people are working outside London. The financial industry offers a significant contribution to the UK economy. Statistics illustrate that in the financial sector, industry output is currently at 11.8%. This is higher than the average industry output of 7.4%, which reflects that compared with the other key growth sectors, the production is above average.

Within the UK financial sector, there are a multitude of small, medium and international companies. The finance sector accumulated £72 million in 2014 of trade surplus, which was a higher proportion provided by the other key growth sectors. Some of the known global companies in finance include Deloitte, PWC, Aon, AIG insurance and the IFDS group.

Research indicates that there are more men than women who are employed within finance, professional services and insurance. Statistics highlight that 52% of the financial sector are men, compared to 48% of the sector who are female. However, since 2002, there has been an increase in the number of women who are working within the finance sector.

With regards to qualifications, people employed in the finance sector are generally well qualified. Nearly 52% of the financial and professional services workforce holds a Level 4+ qualification. In addition, it has also been shown that the number of people employed with a Level 1 qualification has decreased. Qualifications in the financial sector have increased at a high rate, and there are nearly 1 million people who are currently enrolled on finance or professional related courses.

In order to attract the best talent, the financial sector offers a generous salary, as well as bonuses. According to Robert Half, in 2016, the new base salary was forecast to rise by 6.6 %. In particular, Risk and Compliance companies are predicated to see an increase in the salary offered to employees. According to the Association of Professional Staffing Companies, the average salary for accountants has recently increased by 8.9%, and bankers' pay had risen by 5.7%.

Extending eastwards from the City of London along key transport routes, the London-Essex UK Finance Corridor is an intrinsic extension of London's world-leading Financial and Professional Services cluster. The Corridor includes the main Essex financial and professional services centres of Brentwood, Chelmsford, Colchester, Basildon and Southend-on-Sea. The companies located within the London-Essex UK Finance Corridor specialise across a range of business areas and functions including; Back office and business process outsourcing; Financial data centre operation; Niche financial services businesses; Professional Services.<sup>1</sup>

## KEY DRIVERS

The finance and insurance sector is facing a number of serious challenges. Stricter regulations, rising taxes and technological innovations question the traditional business model. At the same time, the wealth shift towards the emerging markets offers new opportunities.

Companies are capitalising on growth opportunities and launching new revenue-generating initiatives. To succeed, they need the right people in place but top accounting, finance and business systems professionals are hard to find.

Customers are changing the way they engage with the sector, with large proportions using technology for transactions.

Businesses are struggling to keep pace with technology and understand the associated risks and opportunities. In response, they seek individuals proficient in Enterprise Resource Planning (ERP) systems,

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<sup>1</sup> <http://investessex.co.uk/sectors/london-essex-uk-finance-corridor>

integrated financial reporting systems, cloud-computing platforms, and information security and data-mining tools, as well as professionals to help with systems conversion projects.

Financial services have already transformed enormously over recent years. It began with internet banking, and then “chip and pin” services through to the use of “contactless” that allows a person to pay for goods and services without entering a card into a machine. Yet writing for Bank Innovation in 2014, Kosta Peric (of the Bill & Melinda Gates Foundation) argues that there is a lot more yet to come. Indeed, Peric explains that:

*“A new wave of technological change is right beyond the next hill, really in the next couple of years. Its most visible symptom is the hyper-connectivity to the internet”.*

This has driven changes in a range of different areas, including the use of bitcoin, open APIs to allow consumers to carry out business services via the internet, open source hardware and applications and crowd sourced identity schemes.<sup>2</sup>

## KEY OPPORTUNITIES/CHALLENGES

The severity of skill shortages across the UK’s workforce is well documented and presents a two main challenge for finance organisations. Finance leaders are concerned about the short supply of experienced, qualified professionals in their core business, whilst also needing to address the proficiency of their own finance teams. As the recovery from the recession continues with growth in the sector organisations are increasing headcounts and therefore skills shortages are becoming more acute.<sup>3</sup>

The Hays Accountancy & Finance Capability Gap Report 2015 explores the views of employers and finance professionals across the UK from organisations of all sizes.

Employers were asked to rate the skill proficiency of their workforce, and employees rated their own aptitude on a variety of soft and acquired skills. The results revealed a significant disparity, a capability gap, between how proficient in key skills employers rate their staff to be and how finance professionals rate their own strengths. As the growth in business activity and confidence of employees to move jobs has led to an increase in hiring activity, the gap between the skills employees possess and those that employers need has been highlighted.

One third (35%) of employers are concerned they will not be able to recruit the skills required to meet their organisations’ needs.

Nearly one third of employees (31%) are aware of skill shortages in their organisation and over half (65%) are concerned that their skills may not be needed by employers in the future. Ever-changing legislation and technology makes up skilling a necessity, but alarmingly, despite being concerned their skills may not be needed by employers in the future 16% were taking no action to address this and develop their skills in this area. The acquired skill of commercial awareness was one of the largest capability gaps for new entrants.

Whilst understandable that new entrants to the profession may lack business acumen early on, its rating as the most business critical skill for an organisation’s future success must make it a focus for development from the early stages of an accountancy career.

Finance leaders regularly tell us that commercial awareness is vital for the industry and it is paramount that employers instil the importance of developing soft skills such as commercial awareness, alongside technical knowledge, in their workforce. The areas that should be of most concern for finance leaders are the capability gaps in the soft skills of communication, organisation, time management and problem solving.

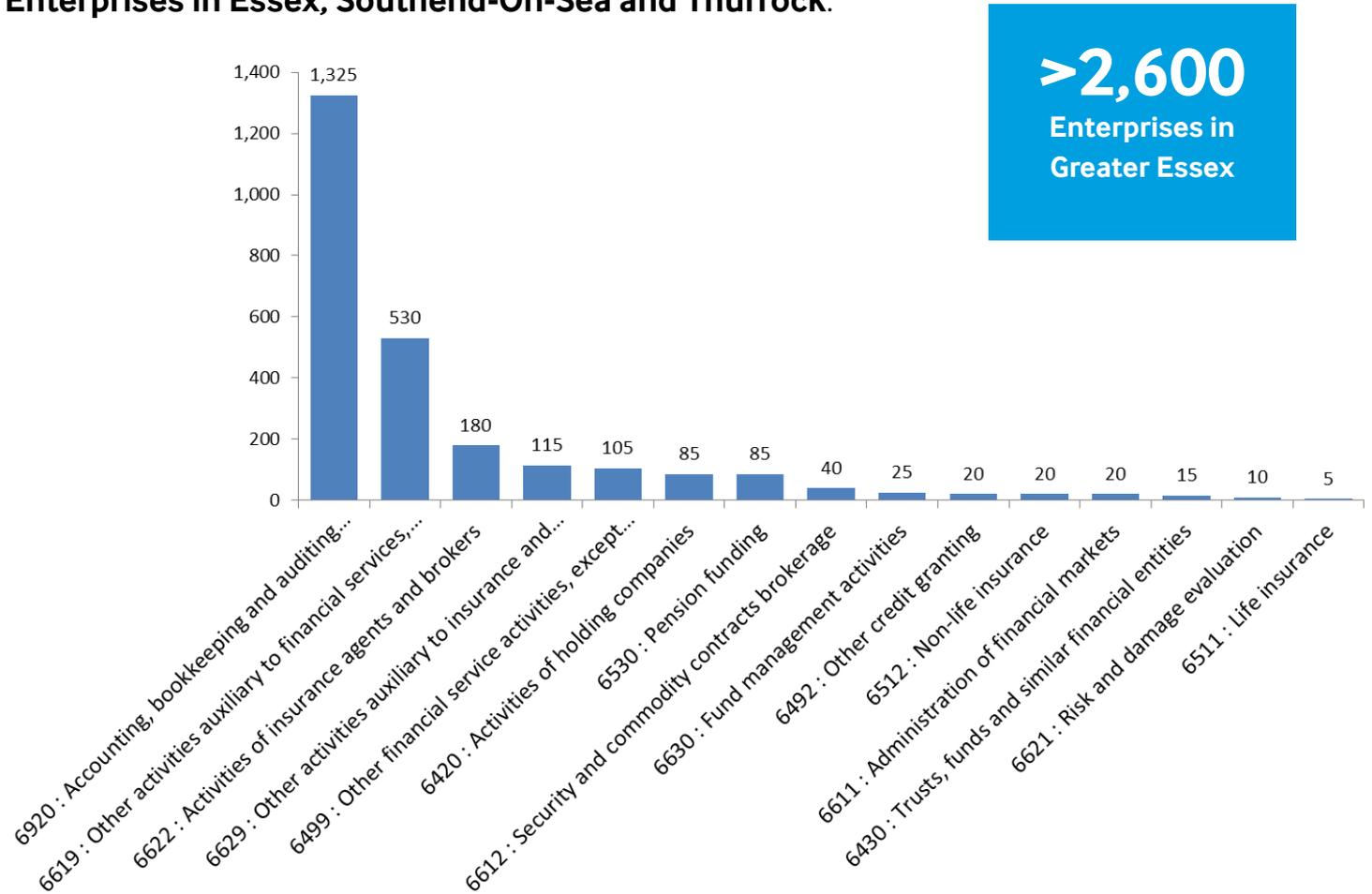
<sup>2</sup> <http://www.intelligenthq.com/finance/revolutionising-the-financial-services-industry/>

<sup>3</sup> <http://economia.icaew.com/opinion/october-2015/tackling-the-finance-skills-gap>

# SECTION 1 – EMPLOYEES & ENTERPRISES

All enterprises and employee data is source from ONS datasets; Business Register and Employment Survey 2014 and UK Business Counts 2015.

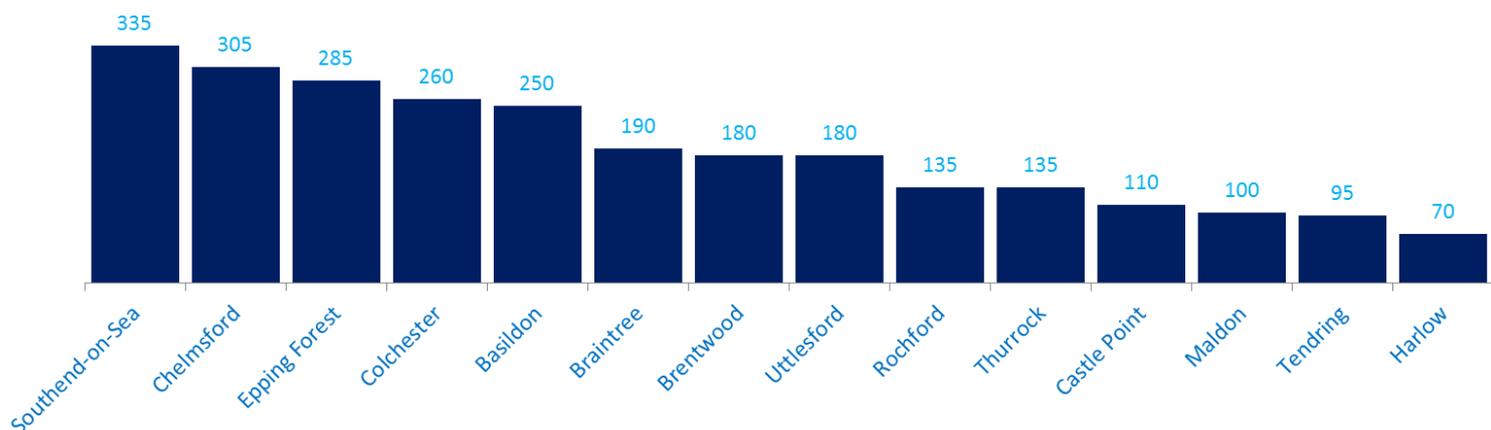
## Enterprises in Essex, Southend-On-Sea and Thurrock.



There are 2,630 Enterprises in the Greater Essex area. Within this sector the largest sub-sectors are Accounting, bookkeeping and auditing activities; tax consultancy (SIC 6920), Other activities auxiliary to financial services, except insurance and pension funding (SIC 6619) and Activities of insurance agents and brokers (SIC 6622).

The subsectors with the fewest number of Enterprises are Trusts, funds and similar financial entities (SIC 6430), Risk and damage evaluation (SIC 6621) and Life insurance (SIC 6511).

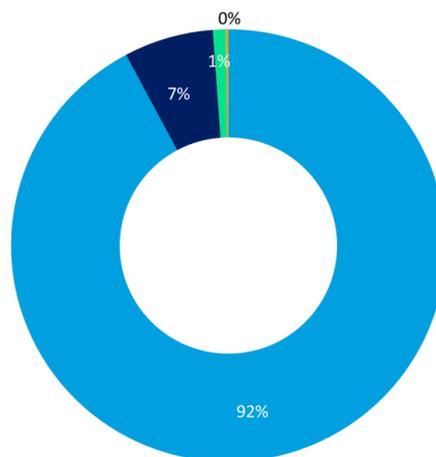
## Enterprises in Local Authority Areas



The local authority areas with the largest clusters of enterprises are Southend-On-Sea (335), Chelmsford (305) and Epping Forest (285). The local authority areas with the fewest enterprises are Maldon (100), Tendring (95) and Harlow (70).

### Size of Companies by Employment Size Band

Business Size	No. of Enterprises
Micro (0 to 9)	2,420
Small (10 to 49)	175
Medium-sized (50 to 249)	25
Large (250+)	5

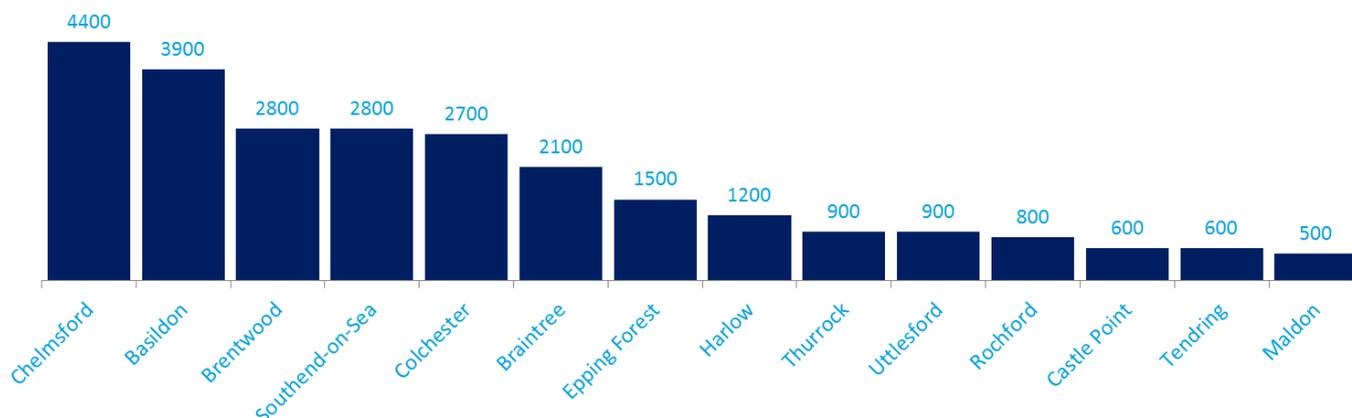


■ Micro (0 to 9) ■ Small (10 to 49) ■ Medium-sized (50 to 249) ■ Large (250+)

### Examples of Local Companies

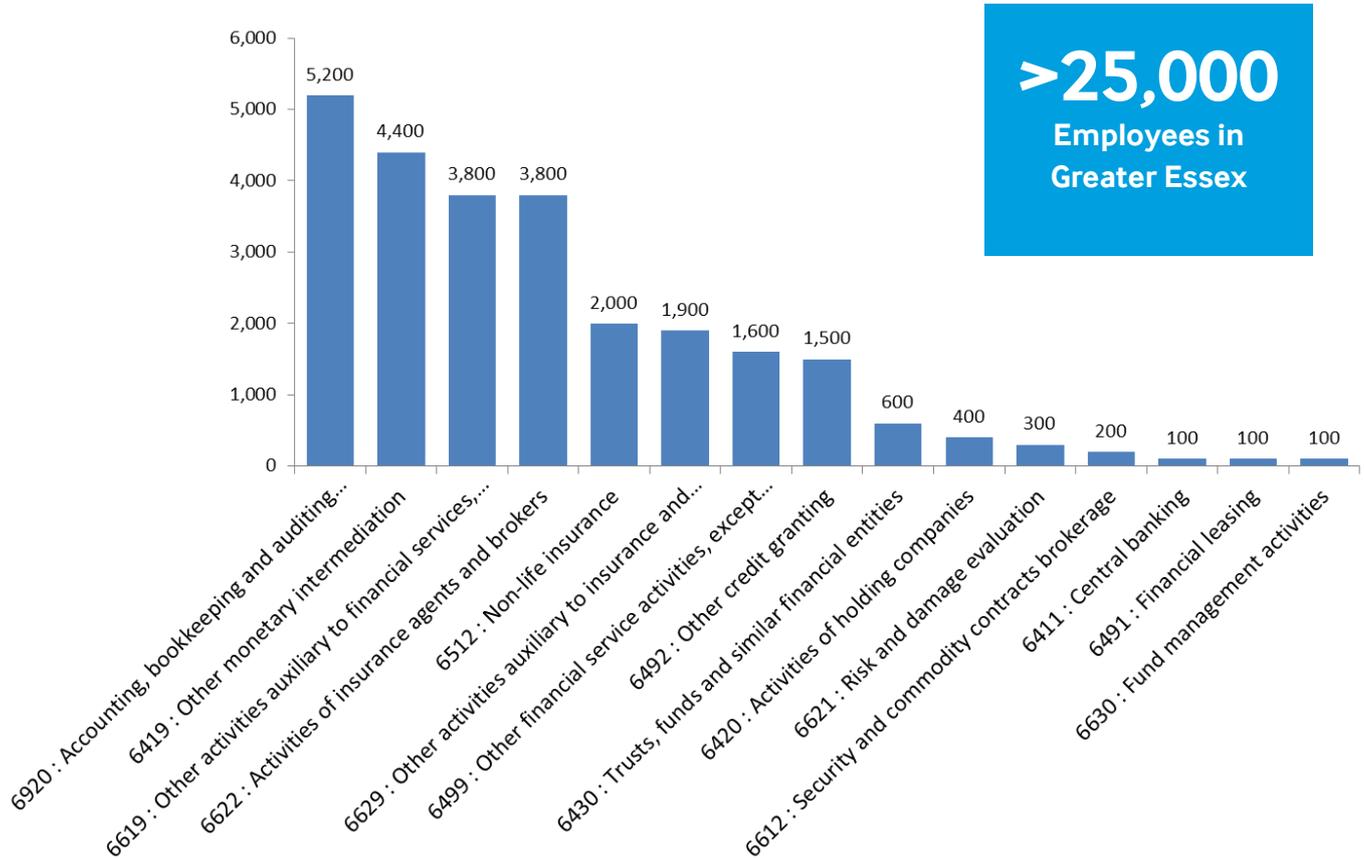
Alpine Insurance	IFDS
AMLIN	Lloyds Bank
First Data	MARSH
BNY MELLON	Cofunds
Converso	QBE

### Employees in Local Authority Areas



The local authority areas with the largest clusters of employees are Chelmsford (4,400), Basildon (3,900) and Brentwood (2,800). The local authority areas with the fewest employees are Castle Point (600), Tendring (600) and Maldon (500).

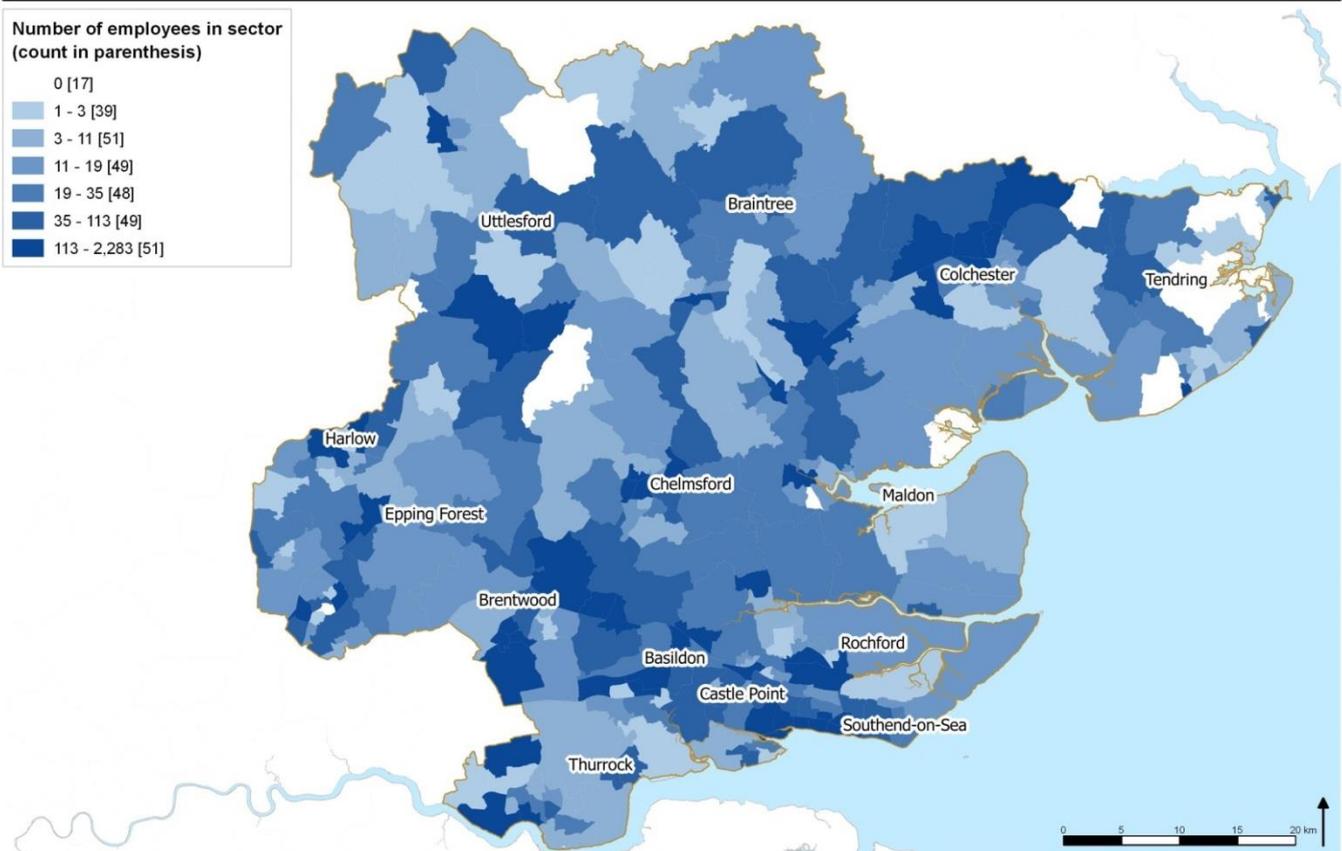
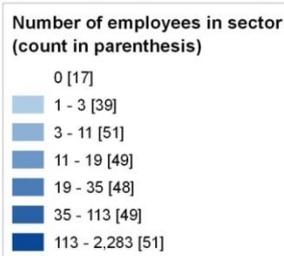
## Employees in Essex, Southend-On-Sea and Thurrock.



There are more than 25,000 employees working in the Finance and Insurance Sector within Essex, Southend-On-Sea and Thurrock.

## Workforce concentration of Finance & Insurance Sector by Ward.

Workforce concentration in Finance & Insurance sector in Greater Essex



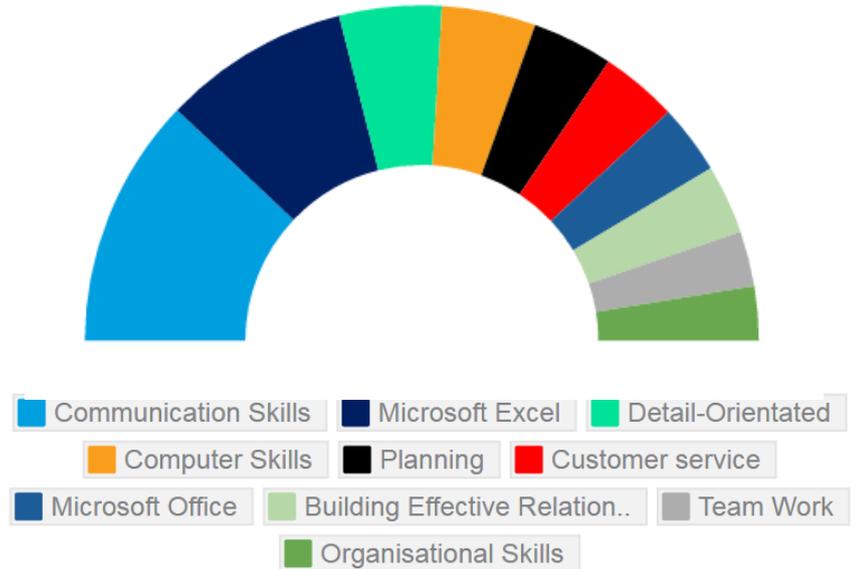
## Section 2 – Analysis of Vacancies

There were more than 11,000 postings advertised in the Finance & Insurance Sector during 2015. Outlined below is data showing the distribution of salaries on offer, the skills in demand and the occupations being advertised.

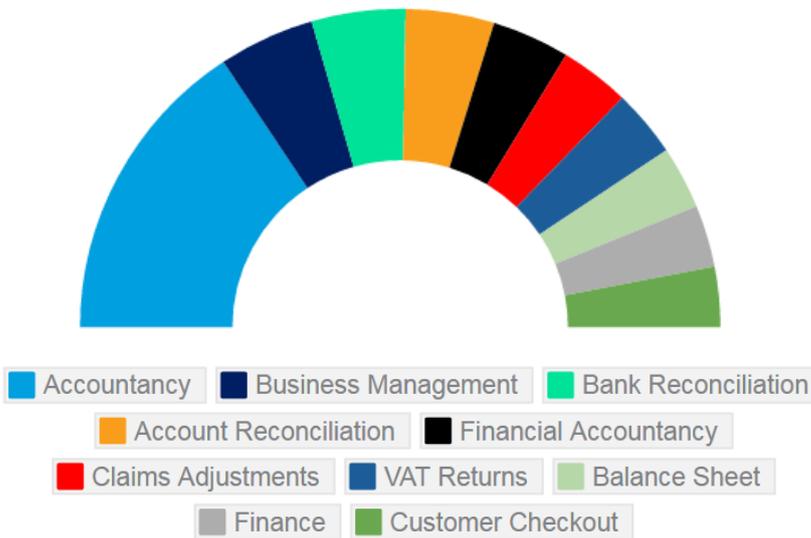
Vacancy data is sourced from [www.labourinsights.com](http://www.labourinsights.com) and is for the period Jan 1st 2015 and Dec 31st 2015. SOC codes used to analyse vacancies can be seen in the appendix.

### Skills in Greatest Demand – Top 10 Baseline Skills.

Skills	Job Postings
Communication Skills	2,657
Microsoft Excel	1,978
Detail-Orientated	1,080
Computer Skills	994
Planning	854
Customer service	818
Microsoft Office	737
Building Effective Relationships	733
Team Work	585
Organisational Skills	574
<b>Postings specifying skill:</b>	<b>7,631</b>



### Skills in Greatest Demand – Top 10 Specialised Skills.



Skills	Job Postings
Accountancy	1,918
Business Management	593
Bank Reconciliation	579
Account Reconciliation	547
Financial Accountancy	480
Claims Adjustments	432
VAT Returns	418
Balance Sheet	389
Finance	385
Customer Checkout	373
<b>Postings specifying skill:</b>	<b>7,631</b>

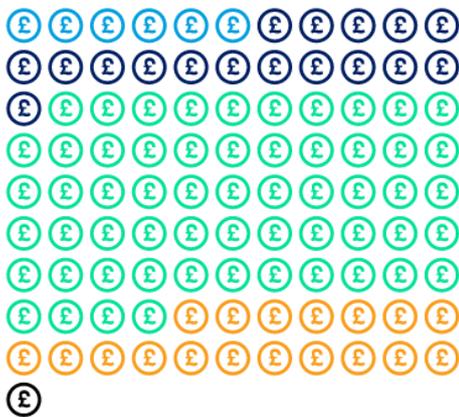
**>11,000**  
postings advertised in  
2015 across Greater  
Essex

**25%**  
25% of Vacancies\* asked  
for Accountancy skills  
\*Only vacancies specifying skill used in  
calculation

## Other Skills in Demand

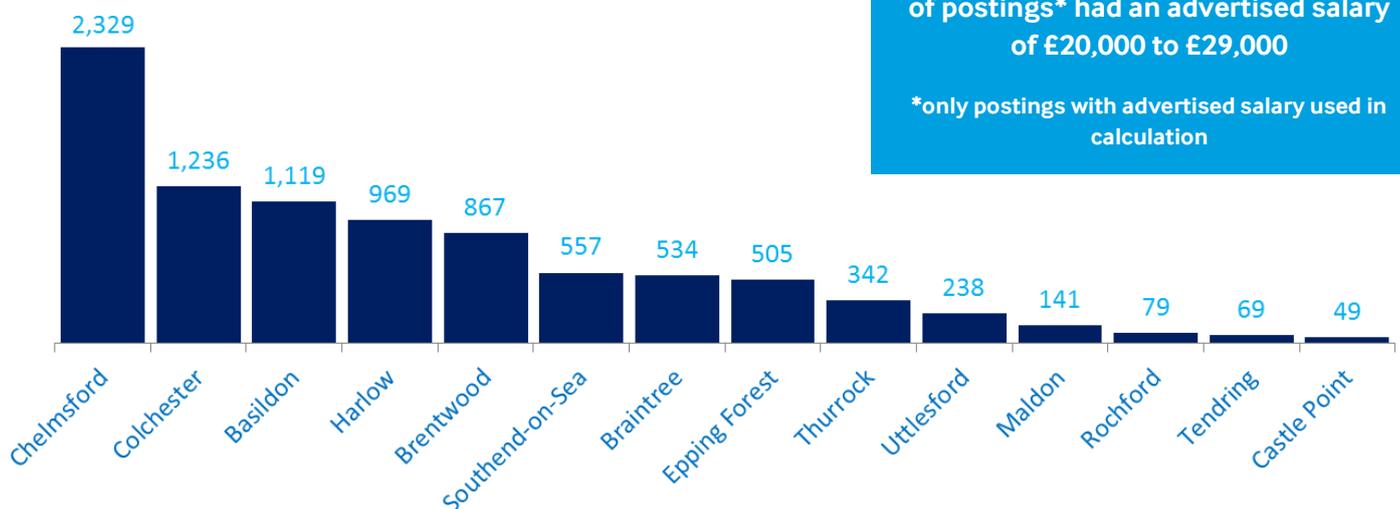
**Bookkeeping** Payroll Processing Business Development  
 Accruals **Portfolio Management** Estimating Sales  
 Invoice Processing SAP **Underwriting** Business Development  
 Decision Making **Account Management**  
 Account Auditing Claims Knowledge Financial Analysis  
 Invoicing **Mathematics** Journalism **Spreadsheets**  
 Accounts Payable and Receivable **Data Analysis** Forecasting

## Distribution of Advertised Salary



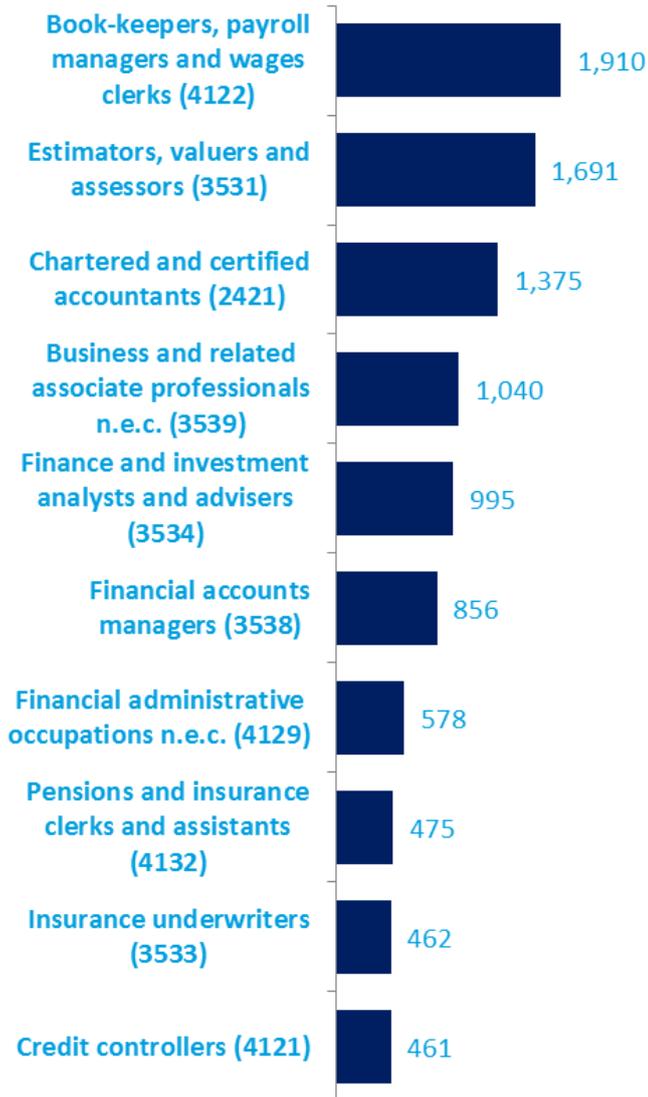
Salary range	Job Postings
More than £90,000	100
£80,000 to £89,999	78
£70,000 to £79,999	122
£60,000 to £69,999	162
£50,000 to £59,999	407
£40,000 to £49,999	827
£30,000 to £39,999	1,337
£20,000 to £29,999	2,979
£15,000 to £19,999	1,198
£10,000 to £14,999	153
Less than £10,000	105
<b>Postings specifying salary :</b>	<b>7,468</b>

## Vacancies in Greater Essex by District

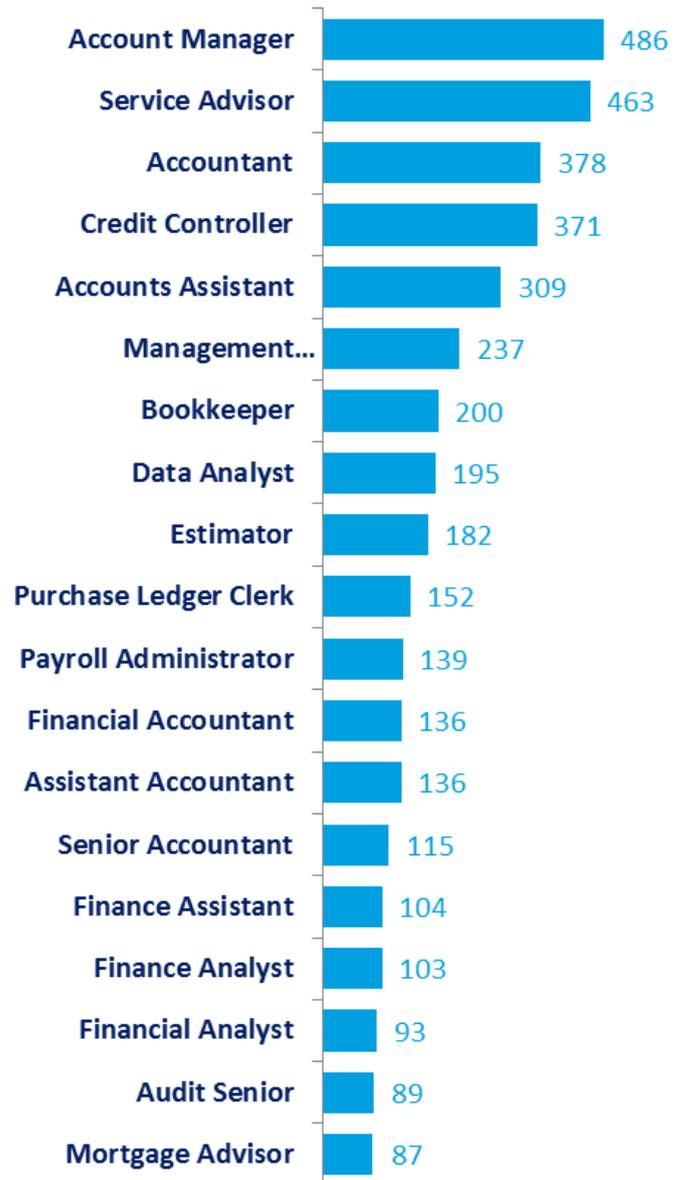


**40%**  
 of postings\* had an advertised salary  
 of £20,000 to £29,000  
 \*only postings with advertised salary used in  
 calculation

## Top 10 Occupations in Demand by SOC (4 Digit)



## Top 20 Job Titles in Demand



## Other Occupations in demand (SOC 4) .....

Occupation	Job Postings
Business and financial project management professionals (2424)	362
Importers and exporters (3536)	278
Brokers (3532)	229
Bank and post office clerks (4123)	163
Taxation experts (3535)	148
Financial institution managers and directors (1150)	68
Financial and accounting technicians (3537)	66
Finance officers (4124)	30

## Occupation and Salary Information

Source:		Demand and Employment		Salary	
		Burning Glass	ONS, Q2 2015 <sup>1</sup>	Burning Glass	ONS, 2014 <sup>2</sup>
SOC Code	Occupation title	No of Job Postings in Greater Essex	Number in employment (UK-wide)	Mean Advertised Salary in Greater Essex	Mean Salary
4122	Book-keepers, payroll managers and wages clerks	1,910	435,664	£22,119	£20,908
3531	Estimators, valuers and assessors	1,691	59,994	£31,444	£32,310
2421	Chartered and certified accountants	1,375	175,559	£35,628	£38,806
3539	Business and related associate professionals n.e.c.	1,040	123,047	£37,948	£31,036
3534	Finance and investment analysts and advisers	995	193,135	£39,673	£45,517
3538	Financial accounts managers	856	132,227	£34,598	£41,809
4129	Financial administrative occupations n.e.c.	578	175,364	£22,451	£18,261
4132	Pensions and insurance clerks and assistants	475	76,917	£22,607	£21,263
3533	Insurance underwriters	462	32,667	£33,492	£43,665
4121	Credit controllers	461	41,762	£21,661	£20,299
2424	Business and financial project management professionals	362	171,872	£47,355	£47,689
3536	Importers and exporters	278	10,892	£25,851	£29,058
3532	Brokers	229	46,247	£37,504	£134,491
4123	Bank and post office clerks	163	145,756	£26,900	£19,310
3535	Taxation experts	148	33,633	£46,749	£46,475
1150	Financial institution managers and directors	68	76,828	£56,163	£80,099
3537	Financial and accounting technicians	66	29,398	£36,814	£44,024
4124	Finance officers	30	35,439	£23,534	£24,992

<sup>1</sup> Employment figures from ONS report EMP04, published 12th August 2015

<sup>2</sup> Salary data from ASHE 2014 (revised) Table 15 - Region by Occupation (4 digit SOC 2010) - Table 15.7a Annual pay – Gross, published 18th November 2015

# Appendix.

## SIC Codes used by ESB to classify the Finance & Insurance Sector

<b>2007 SIC code</b>	<b>Description</b>
64.11	Central banking
64.19	Other monetary intermediation
64.20	Activities of holding companies
64.30	Trusts, funds and similar financial entities
64.91	Financial leasing
64.92	Other credit granting
64.99	Other financial service activities, except insurance and pension funding nec
65.11	Life insurance
65.12	Non-life insurance
65.20	Reinsurance
65.30	Pension funding
66.11	Administration of financial markets
66.12	Security and commodity contracts brokerage
66.19	Other activities auxiliary to financial services, except insurance and pension funding
66.21	Risk and damage evaluation
66.22	Activities of insurance agents brokers
66.29	Other activities auxiliary to insurance and pension funding
66.30	Fund management activities
69.20	Accounting, bookkeeping and auditing activities; tax consulting

## SOC Codes used by ESB to classify the Finance & Insurance Sector

<b>2010 SOC code</b>	<b>Description</b>
1150	Financial Institution Managers and Directors
2421	Chartered and Certified Accountants
2424	Business and Financial Project Management Professionals
3531	Estimators, Valuers and Assessors
3532	Brokers
3533	Insurance Underwriters
3534	Finance and Investment Analysts and Advisors
3535	Taxation Experts
3536	Importers and Exporters
3537	Financial and Accounting Technicians
3538	Financial Accounts Managers
3539	Business and Related Associate Professionals N.E.C.
4121	Credit Controllers
4122	Book-Keepers, Payroll Managers and Wage Clerks
4123	Bank and Post Office Clerks
4124	Finance Officers
4129	Financial Administrative Occupations N.E.C
4132	Pensions and Insurance Clerks and Assistants