



FAO – Andy Harris
Scrutiny Office
Morier House
St Helier
JE1 1DD
Jersey

6 November 2018

Dear Deputy Ward,

Post-16 Education Review

I am writing in response to your letter dated 12 September 2018, regarding post-16 education in Jersey. I would like to thank you for providing Jersey Finance (“JFL or we”) with the opportunity to contribute to discussion on a subject which is of unquestionable importance to the finance industry and to the Island as a whole.

In addressing your questions, I would like to first provide an overview of the finance sector in Jersey and the importance placed on appropriate education provision for its current and future workforce. I would then like to summarise the key findings from a report entitled “*Jersey Finance Sector. Employment and Recruitment Paper*”, which was commissioned by JFL in 2015 and which we shared with the Department of Education at the time. Whilst three years old I believe the findings still hold true.

Additionally, I would like to outline the findings from the recent financial services Strategic Review undertaken by McKinsey and share with you some of the feedback we have received from our Members in relation to current and future employment needs, both generally and more specifically in respect of the balance between graduate and school leaver trainees. I will also summarise the current engagement activity with students undertaken by JFL.

In our submission, we have focused on the education paths detailed in your Terms of Reference and we have therefore not provided comments in respect of the tertiary education provision in Jersey.

Jersey’s finance sector

The finance industry is a vital part of Jersey’s economy, directly employing more than 13,300 people, accounting for over 25% of total private sector employment and contributing twofifths (40%) of total GVA.

The presence of a thriving financial services industry in Jersey both supports and creates economic activity and jobs across the Island, not limited to the finance sector alone. Including all impact channels (direct, indirect and induced), an independent economics consultancy firm

has estimated that Jersey's financial services industry supported over 25,000 jobs in Jersey in 2015. This means that almost half (43%) of all employment on the Island was in some way dependent on the industry's presence.

Over the years, the financial services sector has developed an enviable reputation and Jersey is recognised as one of the world's leading international finance centres. For Jersey to retain its position and to further grow the industry, the Island needs to ensure it has a workforce with the right skills to service the ever-changing needs of the sector's clients. Furthermore, the finite size of the Island means we must develop local talent via a world class education system so that the industry can recruit local individuals to the greatest extent possible.

Industry requirements

Each year, the finance industry employs a significant number of graduates and school leavers. The accountancy firms are one of the biggest recruiters at this level as they seek individuals to join their trainee programs. By way of example, PwC C.I. recruited almost 250 school leavers and graduates across Jersey and Guernsey between 2010 and 2016. Indeed, over the past 10 years 3000 young islanders found their first job in finance.

With ever-increasingly complex legislation and regulation, combined with operating in an internationally competitive industry, our members are, more than ever, seeking the best qualified applicants to fill entry-level roles.

As a minimum requirement firms would be looking for students with A levels or equivalent who will work towards a professional qualification while employed. Furthermore, employers continuously require strong interpersonal skills such as cultural awareness, strong communication skills and language skills.

Jersey's competition

For the finance sector and wider economy to continue to thrive, there is a definite need for a flourishing education sector that can continually provide future talent to an international finance centre which prides itself on expertise and quality of service. We are therefore delighted to hear of the work that the Scrutiny Panel is undertaking to review the Post-16 Education provision in Jersey and whether it meets the needs of the Island.

One of the most important issues which faces Jersey is the intensity of competition between international finance centres. Therefore, we should benchmark our education system with those IFCs who are taking the lead for example Singapore. Under the Skills Future initiative launched by the jurisdiction in 2015, number of universities, polytechnics and the Institute of Technical Education have launched programmes combining work and study e.g. the Singapore Institute of Technology (SIT) launched a number of the SkillsFuture Work-Study Degree Programmes in various areas including hospitality, information and communications technology, offshore engineering etc. These programmes are delivered in partnership with several companies and agencies and are supported by the Ministry of Education.

The financial services sector is continuedly evolving and diversifying into a broader range of products and services. Additionally, with digitisation comes an opportunity for firms to automate some of their processes which has the potential to result in a replacement of less skilled personnel with those more highly skilled. Other IFCs are progressing their digital agenda and Jersey cannot afford to fall behind.

Commissioned work

In 2015, JFL commissioned Island Global Research to study and quantify the aims and aspirations of the population as a whole with regard to employment and training in the finance sector. At that time JFL had concerns that the finance sector skills required in the present may significantly differ from those required in the future, and we wanted to understand how to ensure that these demands and the expectations of Jersey's residents can be met in this regard.

Whilst the study is three years old now, the report provides still relevant information about potential skills gaps and is a useful source of information regarding the intentions of young individuals in terms of their propensity to seek employment in the finance industry straight from school and/or attend university.

The study suggested that much was already being done by local employers and educational establishments to train and up-skill staff in the local economy, including finance. Although gaps were identified, Island residents wanting to follow a career path in finance locally are able to benefit from numerous initiatives and opportunities already in place.

There are also a wide range of specific qualifications that Jersey's school leavers can seek to obtain (employer sponsored, privately and publicly available) prior to and/or after entering employment in the finance sector.

Whilst the finance industry continues to employ more staff as graduates from university rather than directly from school, the number of school leavers filling in the entry-positions grows. If employers are to continue having access to a required pool of school leavers, the latter must be able to access education allowing them to gain relevant qualifications.

We have also summarised further, relevant findings relating to education opportunities in Jersey, as perceived by 16-24-year-old respondents in Appendix 1.

Strategic Review Refresh 2017

In 2013, Jersey Finance commissioned a strategic review of Jersey's finance industry which set out a blueprint for ensuring its ongoing success. At the time, a total of 21 initiatives across Jersey Finance, Government and the JFSC were identified, which are still very much at the heart of current strategy and much progress has been made in delivering these, many of them now business as usual.

However, in light of the triggering of Brexit and other significant changes and developments within the finance industry, particularly in the digital arena, it was felt that a review and update of the strategy was much needed.

In 2017, we once again commissioned McKinsey to work with us to review that strategy so that Jersey's finance industry remains at the forefront of global business.

The Review identified that the impact of digital over the next few years is expected to be felt across all financial services sectors on the Island. This has to be combined with automation disrupting more traditional roles and the skills required to facilitate it. As a result, the Island should focus on the measures needed to improve the value proposition for digital talent. This has been further backed by the research undertaken by the University of Exeter for Digital Jersey which assessed the current provision of digital skills training in Jersey. Following an information gathering exercise that combined quantitative and qualitative research, the report

concluded that the number of enrollees and the provision of courses at all levels is insufficient to meet the island's current and future economic and social needs.

In terms of its skills, Jersey's workforce still meets the traditional demands of its roles. However, it is crucial that Jersey also invests in developing digital skills and addresses the skills gap to ensure mid- and long-term competitiveness as an IFC.

This should include but not be limited to digital apprenticeships for Jersey school-leavers and launching of relevant on-island degrees and training programmes. Jersey can look towards providing digital training programmes that bridge the gap between higher education and more sophisticated digital skills required by on-island firms and push digital education down into pre-college education in Jersey.

This is being addressed through the various digital initiatives as part of the Strategic Review Refresh with a combined effort of the key stakeholders including ourselves, Digital Jersey, the Government and the industry. For example, Digital Jersey launched its Digital Skills Strategy this year. The strategy provides a road map that spans both employers and education, creating clear objectives, and laying the foundations for a successful local digital-tech workforce. To ensure successful delivery, the strategy will need Government's support in terms of time commitment and financial resource.

Members' views

On a bi-annual basis, JFL run an online "Employment and Growth Survey" of our members. Through this research, we obtain the finance industry's views on current employment trends and the expected future needs of the sector.

Now in its fifth year of running, results have been consistently positive. The most recent survey closed in April 2018 with the majority of respondents indicating they expect to grow their businesses in the next 12 months and 3 years. Most new hires are anticipated to be administration professionals, accountants, banking and compliance professionals at officer level, with manager and graduate opportunities also likely to be prominent. The expectation is that the majority of roles (86%) will be filled from the on-island population.

It is worth noting that a person starting their career in finance may be expected to undertake numerous professional qualifications to progress their career further. Examples of qualifications commonly undertaken in Jersey's finance industry currently include the Association of Chartered Accountants (ACA) qualification, the Association of Chartered Certified Accountants (ACCA) qualification, the Institute of Chartered Secretaries and Administrators (ICSA) qualification and Investment Management Certificate (IMC). However, as the finance sectors evolves access to relevant qualifications and diplomas is imperative to meet the industry needs.

Active member of society

In our view, for students and/or young professionals to be active members of the local society, they must feel engaged and included.

With this in mind, JFL launched a new forum this autumn called 'Future Connect'. This campaign is aimed at younger professionals in the finance industry (and supporting business functions) and new entrants to our industry. The main objective is to create an interesting, insightful and educational networking platform that will allow our younger Members to connect, keep informed and build new contacts.

We are confident that this platform will enable us to engage more frequently and effectively with the next generation of finance professionals.

It is worth noting that similar initiatives are undertaken by the Chamber of Commerce ("Chamber Connection"), Jersey Bank Association (JBA 2.0) and the Law Society ("Jersey Junior Lawyer Association").

In addition to this, JFL also run an extensive programme of activities to engage with local schools which has been summarised in Appendix 2.

Looking ahead

We consider sufficient provision of post-16 education imperative to support those wanting to pursue education on the Island. Despite many students choosing to attend university off-island, there are those who prefer to stay here. With the cost of studying in the UK increasing considerably over recent years, and despite the financial support currently available, we need to ensure that we also cater for those who wish to pursue different education and career paths. A shortage of local options available to them could have a detrimental impact on Jersey's employment market, potentially resulting in increased demand for off-island recruitment and in businesses not being able to meet their clients' demands or expected service levels.

Furthermore, the education system needs to deliver students with strong STEM competencies, developed soft skills including inter-personal skills but also, as we are an IFC, proficiency in languages and cultural awareness.

I hope you find the above overview informative and useful. Thank you again for providing the opportunity to contribute to this discussion and please do not hesitate to contact me should you have any questions.

Yours sincerely

A handwritten signature in black ink that reads "Geoff Cook". The signature is written in a cursive style with a clear first name and a last name.

Geoff Cook
CEO
Jersey Finance Limited

Appendix 1

Current information available regarding further education opportunities

One of the areas that was examined covered the views of those already attending / hoping to attend further education on whether the current information available regarding further education opportunities was adequate. Three out of four respondents stated that such information was either 'very adequate' (21%) or 'adequate' (55%) (Figure 1). Only a small percentage considered it was 'not very adequate' (13%) or 'not adequate at all' (3%).

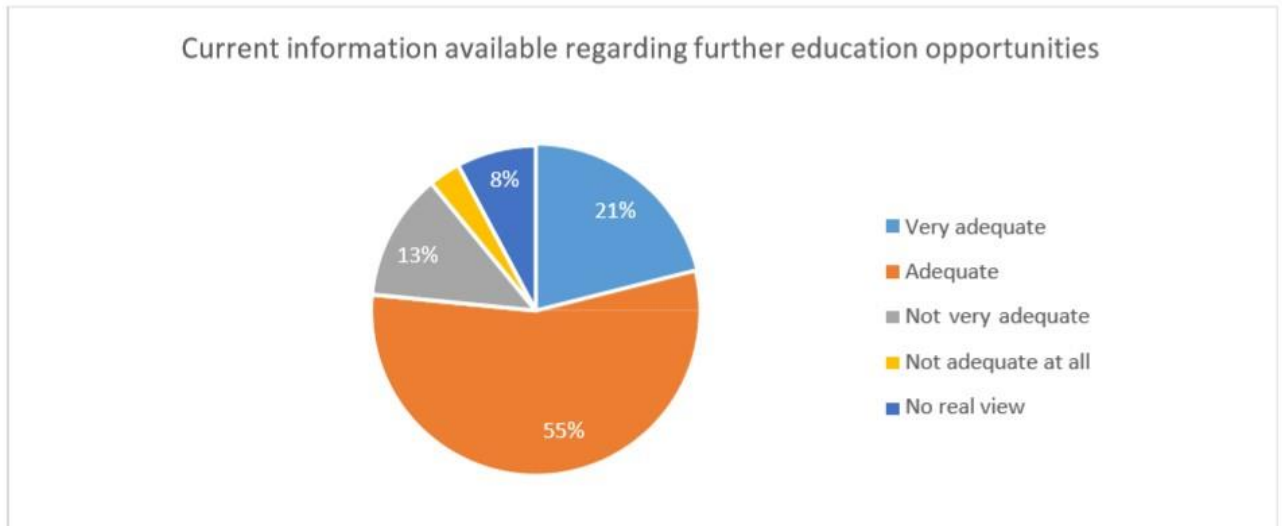


Figure 1 - Age 16-24 already attending/hoping to attend further education

The few comments that were received as to why the information was not adequately focussed on the need for more information online, a greater awareness of the lifestyle stresses and strains of leaving the island to study, and the lack of information available within school.

Training Opportunities in Employment (Age 16-24 in employment or actively looking for permanent employment)

Feedback on access to training opportunities available within employment in Jersey was mixed. For those aged between 16 and 24 in employment or actively looking for permanent employment, 54% of respondents confirmed that there was training provided and this was fairly evenly split between on the job training, soft skills, professional exams (Figures 28 and 29).

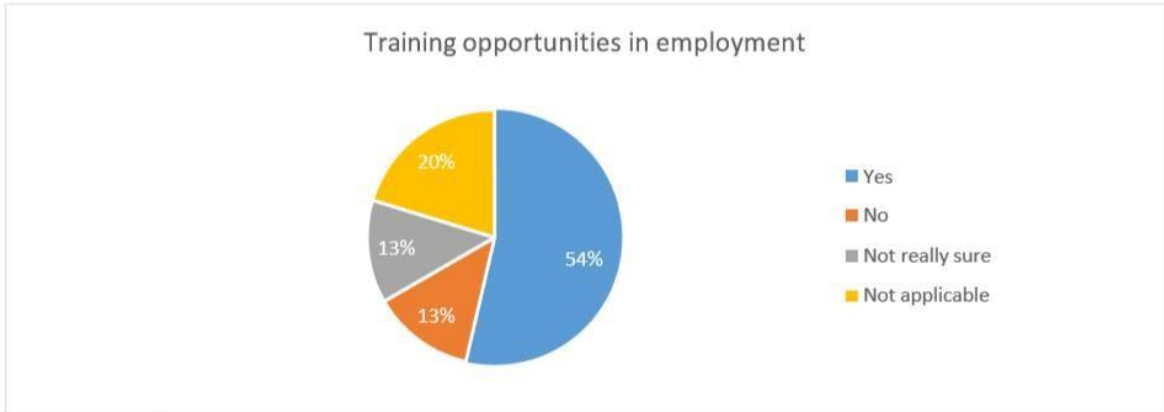


Figure 28 - Age 16-24 in employment or actively looking for permanent employment



Figure 29 - Age 16-24 in employment or actively looking for permanent employment

Of those that were not provided with training opportunities or not sure whether such facilities were available, again, very similar results were recorded in terms of what training would be most useful (Figure 30).

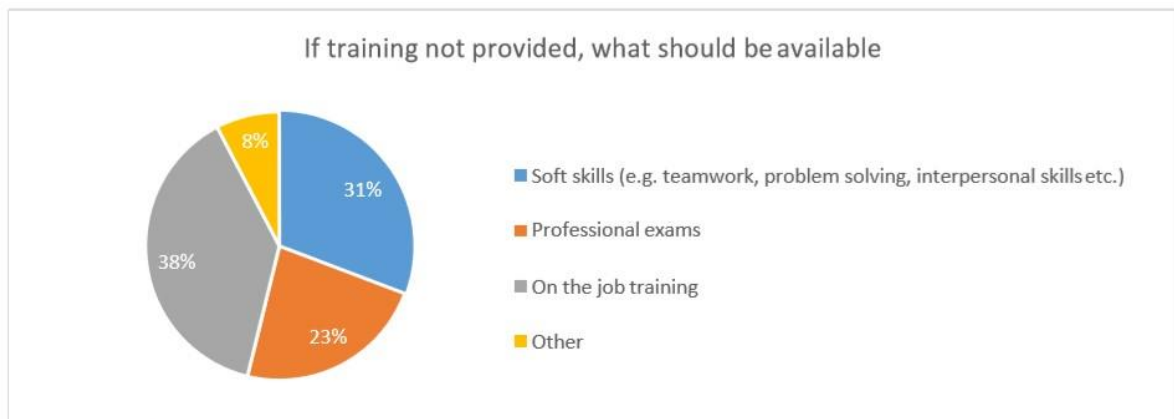


Figure 30 - Age 16-24 in employment or actively looking for permanent employment

Over half of respondents in this age group who were working or actively looking for permanent employment wanted to carry on studying whilst in employment (Figure 31). However, the majority of these were still unsure exactly which qualifications they wanted to study for although Finance & Law and I.T. qualifications were the most popular.



Figure 31 - Age 16-24 in employment or actively looking for permanent employment

Appendix 2

Initiative/event	Description
Life in Finance 2018	LIF scheme offers A-level students a “taster” of working in the finance industry through work placements with JFL’s member firms. 35 students from 6 schools and 24-member firms participated this year.
Trident placements from Hautlieu, Le Quennevais and Victoria College	1 student from each school joined JFL for two weeks in the marketing team to learn more about marketing and the finance industry.
Life in Finance (“LIF”) placement in the marketing team	1 student from Highlands completed the LIF placement in the marketing team at JFL.
Highlands Fresher’s Fayre	The aim of this event is to highlight the college’s partnership with local businesses, agencies, charities and organisations and give their new students the unique opportunity to meet with the leading local employers and learn about the volunteer opportunities and schemes / programmes available to them on Island.
Student competition	Run by JFL; Target audience: local students in years 11 to 13; to enter the competition by writing 500 words on the future of the finance industry.
Beaulieu: Intro to the finance sector presentation	Overview of the finance industry sectors and careers in finance to year 12 students.
Highlands presentation to business degree students	Overview of JFL, what we do and also an introduction to IFCs and the finance industry’s value to Jersey.
Skills Show 2018	This year’s Jersey Skills Show took place on 19 October at Fort Regent. This was aimed at primary schools, Year 9, Year 10, Year 12 students and the general public. Approximately 3,500 attendees were expected during the day.
Life in Finance 2019	Schools presentations and call to Members will commence in November 2018.
Finance Fayre: ‘Careers in Finance...Unwrapped!’	Our ‘Finance Fayre’ will take place on 8 December 2018 at Don Monument, Parade Gardens. This fun, festive event is free to attend, welcoming students, school leavers, undergraduates and career switchers to learn about the opportunities available to them in our industry.