

8 September 2006

Lynsey Silverman
 Lifelong Learning Group
 Enterprise, Transport and Lifelong Learning Department
 The Scottish Executive
 Floor 2 Europa Building
 450 Argyle Street
 Glasgow G2 8LG

Dear Ms Silverman

Re. Consultation on the Demerger of Careers Scotland from Scottish Enterprise

Scottish Financial Enterprise (SFE) is the independent organisation, formed in 1986, that supports and represents the interests of Scotland's international financial services industry. Our members encompass all sectors of the industry including banks and building societies, general insurance, life assurance and pensions, investment managers, asset servicing, corporate finance and broking services, professional advisors and support services.

Scotland is one of Europe's leading international financial services centres and the second largest financial hub in the UK next to London. The international financial services industry is a major contributor to the Scottish economy and is Scotland's fastest growing industry sector. It accounts for one in 10 Scottish jobs, with over 113,000 people directly employed in the industry and over 100,000 more employed in support services. In the last five years (2000 to 2005) the financial services industry in Scotland grew by 36% while the overall Scottish economy grew by 9% and the whole of the UK financial services industry grew by 15% in the same period.

SFE supports the demerger of Careers Scotland which we believe will help it to achieve its objectives as an organisation. However, the consultation delves into technical issues which are not of direct relevance to the financial services industry. For this reason, we are not submitting a formal response with specific answers to the questions in the consultation document.

What is of relevance to the financial services industry in Scotland is the continued supply of skilled employees so that companies based in Scotland can continue to compete in the global financial services market from here and Scotland can continue to attract financial services investment. The continued supply of skilled employees is also essential to ensuring that Scotland maintains its reputation as a leading international centre of financial services expertise.

Our main concern is to ensure that Careers Scotland understands the needs of our financial services industry and treats those needs as a priority. SFE strongly supports the aims and specific actions to strengthen the world-class workforce for the financial services industry in Scotland as set out in the Strategy for the Financial Services Industry in Scotland – the initiative developed and being delivered by the partnership of government, industry and trade unions working together in Scotland of which SFE is a core partner. These are to ensure that Scotland offers a labour market which supports an internationally competitive financial services industry, by meeting the industry's current skills requirement and anticipating future requirements through:

- Increasing understanding of the industry and its career opportunities
- Increasing the appeal of the industry as a career option
- Attracting a wider range of people to work in financial services
- Enhancing the skill levels of new entrants
- Developing the capabilities of people working within the industry

SFE will continue to work with the Scottish Executive, Scottish Enterprise and Careers Scotland to achieve these objectives. If you would like further information on any of the issues raised in this letter, please contact me directly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Amanda Harvie', with a stylized flourish at the end.

Amanda Harvie
Chief Executive