

# Adult Learning, Skills and Work

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# The Evidence base

- **Jobs and Skills in Scotland**
  - Major review of Scotland's economic and labour market performance since recession
- **Labour Market Forecasts for Scotland**
  - Scotland's geographies, industries and qualifications
- **Regional Skills Assessments**
  - Clear, agreed statement on regional economic performance and skills needs of employers
  - Used to inform Regional Outcome Agreements and SDS service offer
- **Skills Investment Plans**
  - Industry Led Investment Plans developed through ILGs
  - Regional SIPS developed with partners
- **'Apprenticeship Family' demand statements**
  - Industry demand for WBL
  - Penetration of Apprenticeships into company base
  - Capacity and delivery constraints

# Scotland's Labour Market

## – Recession to Recovery

### Economic Context

Great Recession longest and deepest in UK since 1930s.  
UK and Scottish economies had 'different' recessions and recoveries . Scotland's recession shallower but recovery slower  
The productivity challenge

### Demand

- Employment now 0.4% greater than in 2008, but weaker growth than UK (lower private sector growth) performance
- **BUT** Rise in non standard jobs, high redundancy support, low pay/in work poverty
- Sectoral variations and Regional variations

### Supply

- Strong population increase but an ageing population, and competition for young people
- Unemployment now at 6.2%, UK at 5.1% (both higher than in 2008)

### Current Challenges

- 6% of establishments report Skills Shortage Vacancies, 14% report skills gaps
- Skills shortages and recruitment difficulties are likely to be a permanent feature of the Scottish labour market,
- Along with underemployment and underutilisation of skills, this will make improving productivity a challenging task.

# Scottish Labour Market

## 2014-2024

### Jobs

- Expected to be just under 1.2 million job openings in 2014-24
- 115,000 (9%) will arise from expansion demand and the remainder – the vast majority – from replacement demand.
- Replacement demand will occur across all occupations, even those forecast to decline

### Trends

- Health and Social Work, Professional Services and Support Services growth v Agriculture, Education and Rest of Manufacturing decline
- Non standard work a persistent feature?  
Hour glass labour market – demand for higher level skills *and* job openings in lower skilled jobs.

### Population

- Forecasts confirm a continuing ageing of the population (and fewer young people) that will have implications for growth plans of many sectors
- Implications of BREXIT potentially significant for some sectors and regions

### Themes

- Pace of technology/innovation will impact on the nature of work
- Application of digital technologies v disruption of business models
- Destructive potential of automation?

# Labour Market Strategy (2016)

*‘ A Strong labour market that drives inclusive, sustainable economic growth, characterised by growing competitive businesses, high employment, a skilled population capable of meeting the needs of employers, and where fair work is central to improving the lives of individuals and their families’.*

## **Major policy areas for delivery include:**

- Skills Development/Economic Development to support skilled and productive workforce, and sustainable working population
- Fair Work, Living Wage, Equal Opportunities
- Labour Market Measures include Returners project, Workforce Equality Fund, Workplace Innovation Service, Fair Work Convention, Health and Work initiatives

# SDS Products and Services for Adults

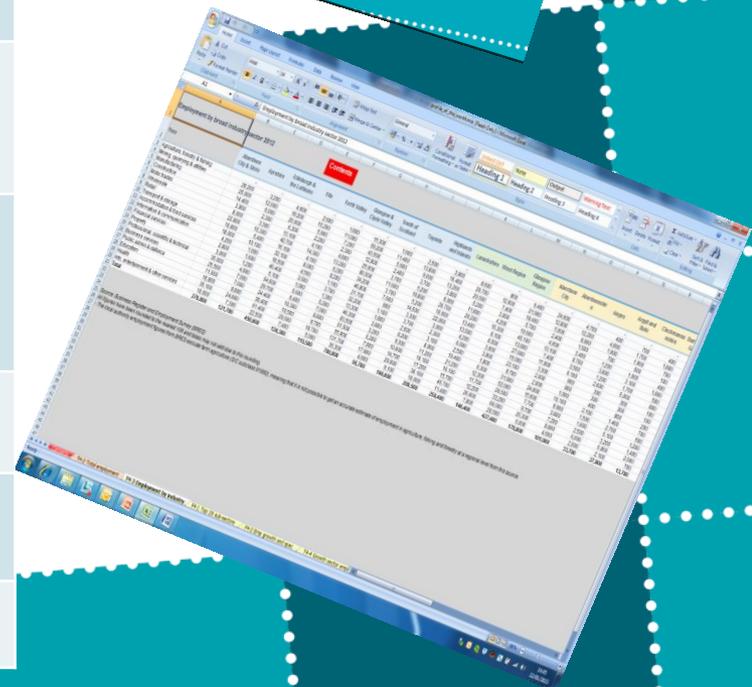
- All age careers service (47 high street centres across Scotland)
- Partnership Action for Continuing Employment (PACE)
- £12m Transition Training Fund (Energy sector)
- Modern Apprenticeships (25+)
- Graduate Level Apprenticeships
- Individual Learning Accounts (ILA) - £200 per person
- My World of Work (MWOW)
- Skills Academies (e.g. Code Clan)

# Regional Skills Assessments

- **Provide a clear, agreed statement on regional economies and skills needs of employers and use them to**
  - Support the SFC and Regional Colleges in negotiating Regional Outcome Agreements;
  - Align SDS investment in individuals and businesses;
  - Assist partners in planning their investment in skills
  - Highlight gaps in national and regional skills evidence.

# RSAs - Contents

Section	Key Data sources
1&2. Introduction/ Context	-
3. Economic Performance Gross Value Added, Productivity, Earnings Business base.	ONS, SE
4. Profile of the Workforce Total employment, Industrial structure, Occupational profile	BRES, APS, SE
5. People and Skills Population, Labour market participation Qualifications and attainment	GROS, APS, SDS, SLDR, DWP
6. Education and Training Modern Apprenticeships, College, provision University provision, Graduate destinations	SDS, SFC
7. Skills Mismatches Recruitment activity, Vacancies, Skills gaps	UKCES ESS
8. Employment and Skills Outlook Total employment, Sectoral outlook	UKCES Working Futures, SIPs
9. Questions Arising	-



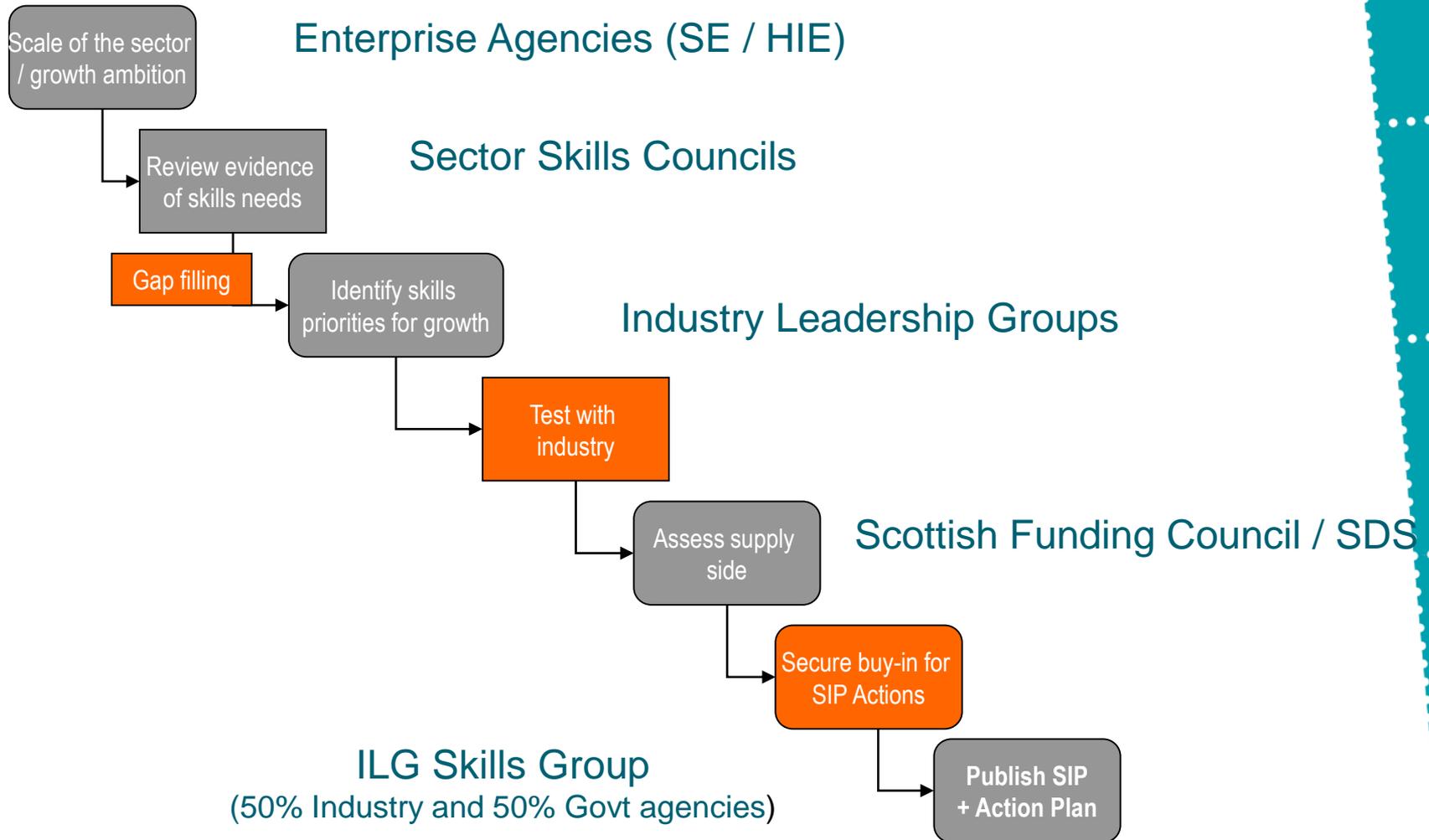
# Regional Skills Planning

- **Highlands and Islands SIP** – October 2014:
- **Aberdeen City and Shire Skills Strategy** (2015)
- **Glasgow and Clyde Valley Skills Strategy** (2016)
- **Edinburgh and Lothians Skills Strategy** (2016)
- Recruited senior team of labour market economists / consultants to support Regional Skills Planning across Scotland (with Colleges, Universities and Local Authorities)

# Skills Investment Plans

<b>Sector</b>	<b>SIP Publication</b>
<b>Energy</b>	Refreshed March 2015
<b>Food and Drink</b>	Refreshed Oct 2016
<b>Tourism</b>	Refreshed Oct 2016
<b>Finance</b>	Refreshed Sep 2016
<b>ICT</b>	March 2014
<b>Life Sciences</b>	April 2014
<b>Engineering</b>	August 2014
<b>Chemical Sciences</b>	October 2014
<b>Construction</b>	March 2015
<b>Creative Industries</b>	Publication – Summer 2015

# Developing SIPs



# Common issues

- The **increasing importance of STEM subjects** to support the needs of the economy (at School, College and University)
- **Low levels of work based learning v other advanced economies** but strong demand from employers
- The **underpinning importance of digital skills and capability in both skills and learning system and the workforce** to meet Scotland's economic growth ambitions
- The importance of **leadership and management skills in the workforce** to support the **deployment of skills in the workplace**
- **Gender imbalance – and under-representation of other groups** create skills and recruitment challenges in some sectors
- The role of **international talent attraction in meeting the skills needs** of some of Scotland's growth sectors

# Evidence base for employability

Devolution of employability services presents new challenges for SDS

- Labour market intelligence v Jobs Intelligence
- Challenges and barriers facing individuals
- Informing policy makers – but also local service delivery
- Multiple audiences from SG through to job seekers
- How 'local' do we need to be?
  
- Utilising digital technology – inbound and outbound...

# Lessons – making this happen

- **Significant resource investment** in
  - labour market research to understand needs of the economy
  - skilled resource within SDS
  - a team to build strong relationships with industry leaders and a ‘sense of ownership’ of SIPs
- Clear **leadership** – showing others how SDS is using this evidence
- Building **strong relationships with funding partners** (SG, SFC and LAs) to inform their investment
- Ongoing **dissemination & communication programme** with policy makers and industry groups (EDAS / CBI / SCDI / IoD)
- **Flexibility and agility** - policy doesn't stand still!

# Further Information

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<https://www.skillsdevelopmentscotland.co.uk/what-we-do/partnerships/regional-skills-assessments/>