University of Glasgow | Training & Employment Research Unit

GLASGOW CITY REGION SKILLS INVESTMENT PLAN: FINAL REPORT

COMMISSIONED BY SKILLS DEVELOPMENT SCOTLAND AND GLASGOW CITY REGION

8 August 2016

Victoria Sutherland, Alex McTier and Alan McGregor

Training and Employment Research Unit (TERU)
University of Glasgow
Adam Smith Business School
40 Bute Gardens
Glasgow
G12 8RT

Email: victoria.sutherland@glasgow.ac.uk
Telephone: 0141 330 4911

University of Glasgow | Training & Employment Research Unit

CONTENTS

1. BACKGROUND AND BRIEF

Glasgow City Region and City Deal

The Glasgow City Region (CR) is the geographical area encompassing the eight local authority areas of City of Glasgow, East Dunbartonshire, East Renfrewshire, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire. There is increased co-operation and joint working at a city region level, in part accelerated by the £1.13 billion City Deal brokered by member authorities with the Scottish and UK Governments.

Glasgow and Clyde Valley City Deal

The Glasgow and Clyde Valley City Deal will fund major infrastructure projects, drive business innovation and growth (including in life sciences), create thousands of jobs, and assist thousands of unemployed people back to work. It will be delivered through a programme of 26 projects, which are spread over three themes: infrastructure, employment and skills, and business growth and innovation.

Infrastructure

- 20 major infrastructure projects across the region for roads, bridges, improved transport infrastructure, quay walls, remediation, construction, public realm works, and assisting further capital developments for housing, retail and commercial. The individual projects are set out in Appendix 1.

Employment and Skills

- £9 million ‘Working Matters’ employment scheme to support 4,000 individuals in receipt of Employment Support Allowance, assisting at least 600 into sustained work.
- £15 million ‘Youth Gateway’ integrated employment programme to work with 15,000 young people aged 16-24 over the next three years, helping 5,000 into sustained work.
- Pilot labour market progression scheme to support the training and development of staff in low income jobs within the care sector.

Business Growth and Innovation

- £16 million funding for the development of the University of Glasgow-led Imagining Centre of Excellence at the Queen Elizabeth II Hospital Campus to provide ground-breaking medical research and commercialisation facilities for clinical researchers and companies in the Life Sciences sector.
- £4 million MediCity Scotland facility based at Eurocentral Business Park to bring together academics, entrepreneurs, clinicians and business support services to boost the development of new healthcare services and medical technology.

- £4 million Centre for Business Incubation and Development in the Tontine Building, Glasgow. The centre will provide high quality, flexible working spaces for growing small to medium sized enterprises.

The main objectives of the City Deal are that by 2036:

- 29,000 additional jobs will be created in the CR.
- 19,000 unemployed residents will receive support and over 5,500 will secure sustained employment.
- Lever in an estimated £3.3 billion of private sector investment to support the delivery of the infrastructure projects.
- Spread the benefits of economic growth across the CR, ensuring deprived areas benefit from this growth.

Glasgow City Region Skills Investment Plan

The Glasgow City Region Skills Investment Plan (SIP) has been commissioned by Skills Development Scotland (SDS) on behalf of SDS and the City Deal Skills and Employment Working Group, which includes the eight local authorities, DWP, college sector, Scottish Government and UK Government. The Cabinet portfolio for Skills and Employment, held by South Lanarkshire Council, will ensure that the implementation of the SIP contributes to the wider economic strategy for the city region.

The SIP development process has involved the:

- Analysis of current and future employment and skills demands alongside the current and predicted labour supply.
- Review of key policies impacting on skills and employment in the CR.
- Consultations with key skills partners across the CR.
- Review of the skills approaches taken in other UK city regions.
- Workshop sessions with the City Deal Skills and Employment Working Group to discuss and agree the mission, strategic outcomes and actions of the SIP.

This has led to an evidenced-based SIP that:

- Sets out the vision, ambitions and aspirations for the City Region for the next 20 years in terms of skills and employment.
- Provides a detailed 3-year Acton Plan, drawing on evidence and partner views.

Alongside the SIP, two other key city region research exercises have also been carried out – namely the *Glasgow City Region Economic Strategy* and *Glasgow City Region Enterprise Review*. The SIP has been designed to complement and contribute to the implementation of the priorities and actions arising from these two exercises.

Structure of SIP

The SIP is organised into the following sections:

- ***Key Labour Market Trends*** – analysing the current demand for, and supply of, labour in the CR.
- ***Looking Forward*** – assessing the future demand for labour in the CR and how the skills supply is aligned with this.
- ***Skills Approaches in Other City Regions*** – reviewing the approaches taken in comparator UK city regions.
- ***Principles, Mission, Strategic Outcomes and Areas of Action*** – setting out the city region-working context and the ambitions of the SIP.
- ***Action Plan for 2016-2019*** – detailing the specific actions that the SIP will deliver on in the next three years.

2. KEY LABOUR MARKET TRENDS

Current Labour Market Demand

The CR had 836,500 jobs in 2014, with its largest employing sectors being:

- ***Health and social work*** – 144,600 jobs.
- ***Wholesale and retail*** – 123,400 jobs.
- ***Administration and support services*** – 93,200 jobs.

Location quotients (LQ) identify specific sub-sectors that are overrepresented in a locality. In looking at the location quotients in the CR, we included those that were more than 40% overrepresented compared to the Scottish economy and employed at least 2,000. 30 sub-sectors were identified with the main grouping being in:

- ***Financial services*** – with 'other credit granting', 'non-life insurance', 'security and commodity contracts brokerage', 'other activities auxiliary to insurance and pension funding', 'activities of insurance agents and brokers' all being overrepresented. These sub-sectors employ 13,640 – but the broader financial services sector employs 32,600.
- ***Creative industries*** – including 'motion picture, video and TV programme production', 'advertising agencies', 'performing arts'. These sub-sectors employ 6,040 with the creative industries as a whole employing 29,600.
- ***Business support services*** – including 'combined facilities support activities', 'activities of call centres', 'general cleaning of buildings' and 'activities of head offices'. These sub-sectors employ 52,140 with 93,200 employed in administration and support services as a whole.

There are local variations across the CR with five or more of the CR's eight local authority areas over-represented relative to the Scotland average in ***construction*** (48,700 jobs) and ***education*** (60,500), as well as wholesale and retail, admin and support services, health and social work, and other services.

The research's consultations also highlighted the importance to the CR of:

- ***Tourism*** – particularly in Glasgow but with attractions and events across all parts of the CR (which employs 54,500).
- ***Engineering*** – most notably in Renfrewshire and Inverclyde (whilst there is no figure for employment in engineering, data suggests there are 17,500 employed in STEM occupations).
- ***Education*** – with the CR having 6 universities and 6 colleges (which employs 60,500 as outlined above).

By occupation, the CR's greatest numbers of jobs are in ***professional***; ***associate professional and technical***; and ***administrative and secretarial occupations*** – and all of these occupations are over-represented relative to the Scottish average. It is also over-represented in ***caring, leisure and other services***; and ***sales and customer service occupations***.

Wage levels across the CR as a whole are in line with the Scottish and UK averages but there are variations across its eight local authority areas – with Glasgow and South Lanarkshire having the highest workplace-based earnings, while East Dunbartonshire and North Lanarkshire have the lowest.

Business and enterprise levels (as measured by business stock, starts, deaths and survival rates along with self-employment rates) are generally low across the CR, with Glasgow the only local authority area above (and only marginally above) the Scottish average.

Current Labour Market Supply

The ***population*** of the CR was just over 1.8 million in 2015, with just over 1.2 million aged 15-64.

- Just over a third (34%) of Scotland's working age population (15-64) lives in the CR.
- The CR working population is increased by 0.8% (or just under 9500) over the last 5 years, just under the Scottish rate of 0.7%.
- Within this, 6 local authority areas are experiencing declines in their working age population, with the working age population only growing in Glasgow and East Renfrewshire over this period.
- The CR has a higher proportion of its population aged 0-14, 20-24 and 25-54 than Scotland as a whole, while those aged 55 and over are underrepresented in the CR.

In 2015, 71% of the working age population of the CR were in ***employment***.

- This is just below the Scottish and UK rates (73% and 74% respectively) – but conceals significant variations across the CR, with the employment rate varying from 67% in Glasgow to 76% in South Lanarkshire. 4 local authority areas within the CR have an employment rate above the Scottish average and 4 are below.
- The CR employment rate has increased over the last 5 years (from 67% to 71%) – reflecting improving economic conditions. The employment rate also increased in Scotland and the UK over this same period (from 71% to 73% and from 70% to 74% respectively).

The CR ***unemployment rate*** [1] in 2015 was 6.7%, above the Scottish rate of 5.9% and the UK rate of 5.4%.

- Again, there is significant variation in unemployment across the CR – from 4.0% in East Renfrewshire to 8.5% in Inverclyde and Glasgow.

---

[1] ILO unemployment rate – which measures the proportion of the working aged population that are out of work and activity seeking work.

- Unemployment has declined over the last 5 years (from 10.1% to 6.7%) due to improving economic circumstances – and the CR has experienced a greater improvement than Scotland and the UK (which declined from 7.8% to 5.9% and 7.8% to 5.4% respectively).

Linked to this, the CR has:

- A higher proportion of its working age population than Scotland and the Great Britain[2] claiming DWP out-of-work benefits (14.3% compared to 11.3% and 9.5% in 2015).
  - This varies dramatically across the CR with only 6.9% of the working age population in East Renfrewshire and 7.2% in East Dunbartonshire claiming DWP out-of-work benefits compared to 16.5% in West Dunbartonshire, 16.6% in Inverclyde and 17.1% in Glasgow.
  - The proportion of the CR working age population claiming DWP out-of-work benefits has declined from 17.8% in 2010 to 14.3% in 2015. Declines have also been observed over the same period in Scotland and Great Britain (from 14.1% to 11.3% and from 12.4% to 9.5% respectively).
- A higher proportion of 16-19 year olds in the CR than across Scotland as a whole are not in employment, education or training (in 2014, the rates in the CR was 6.9% compared to 6.4% across Scotland).
  - Again performance on this measured varied across the CR from 3.4% in East Dunbartonshire to 9.5% in West Dunbartonshire.
  - The proportion of 16-19 year olds in the CR that are not in employment, education or training fell from 10.6% in 2009 to 6.9% in 2014. This is a similar decline to Scotland, which fell from 9.8% to 6.4% over the same time period.

Tackling the high levels of unemployment and economic inactivity in the CR is a key priority of the UK Government, Scottish Government, key government agencies, local authorities and the City Deal – and must be a key priority for the CR SIP.

In terms of the ***skills*** of the CR population, a higher proportion of working age people have no qualifications compared to Scotland and the UK (11.4% compared to 9.0% and 8.8% respectively).

- This varies from 5.3% in East Renfrewshire and 5.4% in East Dunbartonshire to 14.3% in West Dunbartonshire.
- The proportion of the CR working age population with no qualifications has declined from 16.6% in 2010 to 11.4% in 2015. Declines have also been observed at the Scottish (from 12.3% to 9.0%) and UK-levels (from 11.6% to 8.8%).

In contrast, 41.6% have SVQ Level 4 or above qualifications – a similar proportion to Scotland as a whole (42.5%) and above the UK rate (36.9%).

- This varies from 32.0% in West Dunbartonshire to 53.6% in both East Dunbartonshire and East Renfrewshire.

[2] Data is not available for Northern Ireland.

- The proportion of the CR working age population with qualifications at SVQ Level 4 or above has increased from 34.8% in 2010 to 41.6% in 2015. The proportion of the Scottish and UK working age populations with qualifications at this level has also increased (from 31.1% to 42.5% and from 32.6% to 36.9% respectively).

Colleges and Modern Apprenticeships are offering a large number of individuals opportunities to develop their skills – with a broad range of different subject areas/occupational frameworks being pursued.

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- In 2014/15, there were just under 118,000 enrolments in the CR's colleges. 80% were at further education (FE) level and 20% were at higher education (HE) level. The most common subjects were family care/personal development/personal care and appearance (with 19,401 enrolments or 16% of all enrolments); health care/medicine/health and safety (18,376; 16%); and information technology and information (14,707; 13%).
  - At the Scottish level, the main subject areas were health care/medicine/health and safety (accounting for 16% of enrolments); family care/personal development/personal care and appearance (16%); engineering (11%); and information technology and information (10%). The most common subjects studied and the proportion of enrolments within these is similar in the CR to Scotland – with the exception of engineering.
- In 2015/16, there were 9,105 Modern Apprenticeship starts in the CR.
  - The most common frameworks were business and administration; hospitality; retail; freight logistics; and social services – children and young people. This is similar to the Scottish picture where the most common frameworks were business and administration; hospitality; social services – children and young people; retail; and social services and healthcare.
  - 32% of MA starts in the CR were in Level 2 frameworks, 64% at Level 3, 4% at Level 4 and just 0.5% at Level 5. The equivalent proportions across Scotland are 35%, 61%, 3% and 0.4%.

Trends in subject/occupational frameworks choices are discussed in the next chapter.

In addition, employers also make a significant investment in developing the skills of their workforce with:

- 74% of CR employers funding or arranging training for their employees in the last 12 months (compared to 71% for Scotland as a whole).
- The types of training funded or arranged by CR employers were job specific training (which includes an extremely diverse range of training in terms of skill levels covered) with 85% of CR employers providing training compared to 86% across Scotland as a whole, health and safety/first aid training (75% vs. 74%) and basic induction training (68% vs. 66%), training in new technology (50% vs. 49%), management training (40% vs. 34%), supervisory training (38% vs. 34%), more extensive induction training for new staff (35% vs. 36%) and personal development training (2% vs. 2%).

Current Mismatches in Labour Market

Where skills supply does not meet skills demand, it leads to vacancies that cannot filled because of skills shortages, difficulties in retaining staff, existing staff not having the skills they require to do their jobs proficiently and underemployment. In 2015:

- 6.3% of employers in the CR had ***skills shortage vacancies***, compared to 5.7% across Scotland as a whole.
  - 26% of these employers reported skills shortage vacancies in caring, leisure and other service occupations, 20% in skilled trades and 14% in professional occupations and 14% in associate professionals. Skills shortage vacancies are caused by a shortage of skills or experience that the employer is looking for. However, the reasons these skills are in shortage can be diverse – for example, the occupation/sector being unattractive to potential entrants (for example, due to relatively low earnings) or a lack of provision in place to develop these skills.
- 8.5% of employers reported that they had jobs that they had ***difficulties in retaining staff***. This is below the Scottish level of 10.0%.
- 12.4% of employers in the CR reported ***skills gaps*** (i.e. that there some of their staff did not have the skills they required to do their job proficiently). This is slightly below the Scottish rate of 13.5%.
  - 29% of these employers reported skills gaps in administrative and clerical occupations, 27% in elementary occupations and 20% in sales and customer services occupations.
- 33.6% of employers reported that at least some of their staff were ***under-utilised*** (i.e. have both qualifications and skills that are more advanced than required for their current job role). This is slightly above the Scottish rate of 32.3%.

Implications for SIP

From a labour market demand perspective:

- The CR has a diverse employment and business base with strengths evident in higher skilled sectors, such as financial services, education (which will include university R&D functions), creative industries and engineering, but also lower skilled but high participation sectors, such as retail, tourism, administration and support services, and construction. Health and social work straddles both and is the CR's biggest employing sector. The SIP must therefore respond to both higher skilled and high participation sectors.
- Business and enterprise levels across the CR are low – so reinforcing the importance of the Enterprise Review and the SIP should respond its recommendations wherever appropriate.

From a labour market supply perspective:

- Whilst the working age population has grown over the last 5 years across the CR as a whole, it has declined in 6 out of the 8 local authority areas. This suggests a need to create more and better quality employment opportunities in the CR.
- High levels of unemployment, out-of-work benefits claimants and young people NEET suggest more effective support is needed to help individuals gain employment.

- There is a substantial amount of skills provision in the CR – with diverse options available. It will be important to capitalise on this going forward. However, the presence of skills shortage vacancies, skills gaps and underemployment suggest that more needs to be done to align this provision with the needs of employers.

3. LOOKING FORWARD

Future Labour Market Demand

There will be significant capital investment in physical developments across the CR through the ***City Deal***.

- The 20 major infrastructure projects are expected to create thousands of ***construction jobs***[3].
- In the ***life sciences*** sector, the Imaging Centre of Excellence at the Queen Elizabeth II Hospital Campus could create 300 jobs (some of which will be very highly skilled and recruited internationally), while the MediCity Scotland facility aims to create 150 jobs within new med-tech companies over the next 5 years.
- The Centre for Business Incubation and Development aims to support 125 firms and create 600 new jobs over the first 5 years.

In addition to the City Deal investments, there will be a number of ***other large-scale capital investments*** in the CR including:

- £1 billion University of Glasgow Campus Masterplan developments, which is projected to create ***2,500 construction jobs***.
- £200 million Braehead centre extension.
- £104 million redevelopment of Glasgow's Queen Street station.
- £57 million refurbishment of Paisley Museum into the National Museum of Textile and Design.

Collectively these developments have the potential to create direct and indirect/end-use jobs and training opportunities, while transport infrastructure improvements are intended to improve access to employment opportunities across the CR.

Beyond the physical developments identified above, the ***UKCES Working Futures 2014-2024 projections for Scotland and applied to the CR*** forecast that the CR will see ***a net increase*** of 35,700 jobs by 2024.

- The main ***sectors*** of employment increase are forecast to be in administration and support services (+14,000 jobs), health and social work (+12,000 jobs), professional, scientific and technical (+8,000 jobs), and tourism and hospitality (+4,000 jobs).
- The two main sectors forecast to see employment decreases are education (-3,800 jobs) and manufacturing (-3,500 jobs).
- By ***occupation***, net growth in the CR will be greatest in higher skilled occupations – i.e. professional (+24,000 jobs), associate professional and technical (+14,000 jobs), and managers, directors and senior officials (+9,000 jobs), but also caring, leisure and other service occupations (+16,000 jobs).
- In contrast there will be net decreases in administrative and secretarial (-9,000), skilled trades (-5,000 jobs) and process, plant and machine operatives (-3,000 jobs).

[3] More work will need to be done to estimate the number and specific types of jobs and skills which the projects will generate, broken down by local authority.

- However, with 336,000 opportunities forecast to become available through ***replacement demand*** across the CR by 2024, there will be opportunities across all occupation types. Replacement demand data is not available by sector.

In addition to the opportunities identified above, the consultations identified ***other areas of employment growth*** in:

- Early years care in response to the Scottish Government's increase commitment to funded childcare hours.
- IT, digital and social media – building on Glasgow's aspiration to become a SMART City. There will be skills in the digital sector – but there will also be demand for digital skills across all industries. For Scotland, 2014-2024 projections indicate a 16% increase in IT related employment.
- Engineering and renewables, particularly around the sustainable/low carbon industries (e.g. renewables, sustainable construction methods, and waste management). The low carbon sector is also prominent in the planning of other UK city regions (see Section 4). For Scotland, 2014-2024 projections indicate a 7% increase in STEM employment.
-

More widely, the consultations also highlighted the changing nature of the labour market and how different ***skillsets*** will be needed by individuals. These include:

- Agility and resilience to respond to not only different employment opportunities (noting that changing jobs will become an increasing phenomenon) but also different tasks and demands within jobs as organisations become flatter in structure and more responsive to change.
- Use and application of IT and digital skills in almost all sectors.
- Enterprise, entrepreneurial and marketing skills, particularly in the creative and digital sectors where self-employment and contract work will be prominent.
- Excellent customer service skills as these are required across almost all sectors – but particularly the high participation sectors.
- STEM skills to respond to the advancements made in the medical, life sciences, digital and engineering sectors.

These can be viewed as cross-cutting skills that should be embedded across all education and skills provision. However, the combinations of these – e.g. IT and marketing, and medical and data analysis – means that traditional FE and HE courses may need to change to allow greater flexibility in the subject units studied.

Future Labour Market Supply

The population of the City Region is projected to grow by 2.2% between 2014 and 2024 – equivalent to an additional 40,000 residents.

- Within this, there will be:
  - Fewer young people aged 15-24 (-31,900) and fewer in the 45-54 year age group (-51,900).
  - More people aged 0-14 (+11,900) 25-44 (+14,500), 55-64 (+38,600) and 65 and over (+58,500).

- Combined, these trends mean there will be 30,700 fewer residents of working age (15-64), yet as identified above the number of jobs is expected to increase by 35,700 across the CR. However, as discussed in the previous chapter, the unemployment rate in the CR is 6.7% - equivalent to approximately 81,000 individuals. Taking a wider measure, there were around 170,000 individuals of working age claiming DWP out-of-work benefits during 2015. Improving the employability and skills of these individuals or reducing their barriers to employment will help these individuals take up these additional employment opportunities.

Over the last 5 years, the economic activity, employment and unemployment rates have all improved.

- The CR economic activity rate has increased from 75% in 2010 to 76% in 2015.
- The CR employment rate has increased from 67% to 71%.
- The CR unemployment rate has decreased from 10% to 7%.

However, the CR continues to underperform Scotland on all of these measures (with the Scottish rates 78%, 73% and 6% in 2015) – suggesting there is scope to improve further. This is a major opportunity to promote inclusive growth in this CR, which in turn will have a big impact on Scotland as the CR contains a greatly disproportionate share of Scotland's unemployed and inactive.

In terms of skills provision:

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- Over the last 5 academic years for which there is data (2010/11 to 2014/15), the number of ***college enrolments*** in the CR has declined by 20% (from 147,621 to 117,634 – a decline of just under 30,000), reflecting changes in the funding and priorities set for colleges by SFC (with a shift towards more full-time provision reducing the number of enrolments and a shift towards younger students with the proportion aged 25 and over falling from 47% to 43% over this period). The equivalent decline in enrolments across Scotland as a whole was 22% (just under 86,000 enrolments).
- Within the CR decline in enrolments:
  - Subjects that have seen the largest absolute declines in provision are information technology and information (-8,865), family care, personal development, personal care and appearance (-5,098), catering, food, leisure services and tourism (-3,047) and health care, medicine and health and safety (-2,806).
  - Subjects that have seen the largest percentage declines are services to industry (-72%), humanities (history, archaeology, religious studies and philosophy) (-44%), politics, economics, law and social sciences (41%).
  - There have been increases in a small number of subject areas – sales, marketing and distribution (+46%), education, training and teaching (+26%), sciences and mathematics (+13%) and transport services (+6%).
- The number of ***MA starts*** declined in Scotland by 2% (or by 609) over the last 5 years (financial years 2011/12 to 2015/16). The decline was proportionally larger in the CR at 4%. There were 377 fewer MA starts in CR in 2015/16 than in 2011/12.

- Most of the frameworks that have experienced large increases in the number of MA starts over the last 5 years in CR are new frameworks (including some that have replaced previous frameworks). Similarly, the majority of frameworks that have observed large declines are frameworks that have been replaced or are no longer active.
- Amongst those frameworks that were in place by 2011/12, those with the largest increases were freight logistics (+405), hairdressing and barbering (+401), electrical installation (+272) and providing financial services (+260).
- Frameworks that have seen the largest decreases in the numbers MA starts in the CR over the last 5 years include hospitality (-299), customer service (-358) and management (-416).

Looking more specifically at ***construction skills*** required to deliver the City Deal projects:

- The most recent data available for college provision is 2014/15. Data on Modern Apprenticeships is available for 2015/16.
- In 2014/15, there were 7,220 enrolments in construction and property (built environment) courses in the CR colleges.
  - The number of enrolments has declined by 1,923 between 2010/11 and 2014/15.
    - As a decline of 21% this is broadly in line with the decline across all subjects (20%).
    - The decline is also similar to that across Scotland as a whole, with there being 4,628 fewer enrolments in construction and property (built environment) courses between 2011/12 and 2014/15 – a decline of 22%.
    - However, the numbers have begun to increase again, with 170 more enrolments in construction and property (built environment) courses in CR colleges in 2014/15 than 2013/14.
  - In terms of more specific subject areas:
    - The largest number of enrolments in 2014/15 were in construction (general) (4,133), building services (801) and building/construction operations (792). Smaller courses that are important to the sector are property (surveying, planning and development) (with 153 enrolments), construction management (112) and civil engineering (328).
    - The number of enrolments has declined for most construction subjects between 2010/11 and 2014/15 – with the largest declines in construction (general) (-895, -18%), building services (-516, -39%), built environment (-326, -42%) and interior design, fitting and decoration (-151, -30%). The number of enrolments in property (surveying, planning and development), building design and architecture and construction management have increased – but in each case only by a small number (65 or less).
- In 2015/16, there were 1,345 MA starts in the CR in construction frameworks (which include civil engineering) plus 281 in electrical installation, 17 in gas, heating and energy efficiency, 40 in heating, ventilation, air conditioning and refrigeration and 115 in plumbing (1,799 in total).
  - Overall, the number of MA starts in construction and related frameworks in the CR has increased by 400 or 22% over the last 5 years. This compares to a 4% decline in the overall number of MAs in the CR over the same time period.

- Looking specifically at the last year (2014/15 to 2015/16), the increase in MA starts in construction and related frameworks has been 24% (an increase in the number of MA starts by 343), compared to a marginal decline (-0.3%) in the total number of MAs in the CR.
- Due to changes in the frameworks, it is not possible to undertake a robust analysis of changes on a framework-by-framework basis over the last 5 years. However, over the last year (2014/15 to 2015/16) the construction frameworks with the largest increases in MA starts were 'construction: civil engineering' (with an extra 90 MA starts or a 8% increase), 'construction: building' (83; 22%), 'construction: technical apprenticeship' (67; 65%) and 'electrical installation' (63; 29%).

Consultees involved in delivering skills highlighted a number of ways in which skills provision will change over the next 3 years:

- SDS has been set a target to ***increase MA starts*** across Scotland from 25,000 in 2015 to 30,000 in 2020. Within this, there will be a particular focus on increasing starts at Level 3 or above. SDS has begun to develop ***Graduate Apprenticeships*** to help increase the number of higher-level apprenticeship opportunities.
- SDS has started to roll-out delivery of ***Foundation Apprenticeships*** with delivery planned for all 8 CR local authority areas in the 2017/18 academic year.
- The CR's Regional Colleges have undertaken ***Curriculum and Estates Reviews***. The Colleges have also prepared ***Regional Outcome Agreements*** setting out how they will align their provision to regional needs, while continuing to consult with employers on an ongoing basis to understand and respond to their specific skills needs.
- ***DYW Regional Groups*** are building linkages between schools, colleges and employers to ensure young people are being prepared more effectively for the world of work. This has the potential to lead to changes in the school curriculum.
- Through DYW Regional Groups and related partners, there will be increasing focus on ***equalities and diversity*** to help address gender imbalances in subject areas, and increase the numbers of more disadvantaged groups (e.g. care leavers, disabled young people and people from an ethnic minority background) into MAs, college and university courses.

The SIP should also engage and work closely with the CR's ***six universities*** as all are well-respected institutions, whether at the international and/or national level, and are ambitious in their future strategies and the contributions they can make to the CR's skills base and economy. In terms of their future plans, these can be summarised across the universities as:

- Focusing on and investing in their core teaching areas of strength.
- Continuing to attract students from the CR and supporting this through the continued support and development of Widening Access programmes and articulation routes from colleges.
- Attracting more international students, while also diversifying the markets that they draw students from.
- Working with businesses and key sectors to enhance the student experience and boost their employability (e.g. through work placements) and to identify opportunities for collaboration – particularly in R&D.

- Continuing to attract high quality teaching and research staff to their institutions.

Implications for SIP

From a labour market demand perspective:

- It is crucial that the SIP helps top deliver the skills needed to deliver on the opportunities created through the City Deal. These are estimated to be thousands of construction jobs, 450 life sciences jobs, and 600 jobs through the Centre for Business Incubation and Development.
- In addition there will be many thousands of construction jobs and end-use jobs created through other physical developments planned in the CR – and again the SIP should respond to these.
- More generally, labour market forecasts continue to show increases in higher skilled jobs but also high participation sectors (e.g. care and tourism). The SIP therefore needs a balanced approach that responds to these two types of opportunities, while also providing the pathways to enable residents to access the higher skilled jobs.
- A big challenge for CR partners is to understand in greater detail what the actual skills needs are. Consultees, for example, are increasingly seeing the need for cross-cutting skills that can be applied in different settings and demand for more nuanced combinations of different skills.

From a labour market supply perspective:

- The working age population (15-64) will decline between 2014 and 2024 – by just under 31,000. Given that the number of jobs is forecast to increase by 35,700 in the same period, it is critical that as many working age residents as possible are actively engaged in the labour market and that they have the skills reflect the needs of employers. There is significant scope to increase the proportion that are engaged with approximately 81,000 currently out of work and actively seeking employment and 170,000 claiming DWP out-of-work benefits.
- In general, trends in college enrolments and MA starts appear to reflect a rebalancing towards the sectors that are important to the CR. It will be important to continue to monitor the impact this is having on skills mismatches and adjust as appropriate.
- In terms of the City Deal infrastructure projects, the numbers studying construction-related subjects at college has decreased over the last 5 years. However, these declines reflect the overall decrease in student numbers. Even accounting for these declines, there were 7,220 enrolments in construction subjects in 2014/15. In contrast, the number of MA starts in construction and related frameworks has grown between 2011/12 and 2015/16 by 22% - to just under 1,800. Combined these suggest that the CR is making a significant investment into developing construction skills, which should help ensure the skilled labour is available within the CR to deliver the City Deal infrastructure projects. However, it will be important to continue to assess whether the scale and focus of this investment is appropriate over time – especially once a clearer picture is available of the specific construction skills required to deliver these projects.

4. SKILLS APPROACHES IN OTHER CITY REGIONS

The approaches to skills taken in comparator UK city regions (namely Birmingham, Leeds, Liverpool, Manchester, Newcastle and Sheffield city regions) have been reviewed to inform the development of the Glasgow City Region SIP. This has been done through an analysis of the skills documentation and content related to each city region's:

- Local Enterprise Partnership skills strategy and/or action plan at the city region level.
- City Deal proposal submitted to UK Government.

In terms of skills priorities, the key areas of focus are:

- ***Ensuring young people are prepared for the world of work***, with employability and enterprise skills more prominent in schools.
- Tackling youth unemployment through ***increasing apprenticeship opportunities and enhancing youth employability provision***.
- Development of ***employer-led skills systems*** that align with city regions' key sectors.
- Support of ***in-work learning opportunities*** to enable progression in the labour market.
- ***Greater integration and collaboration between skills partners*** – including co-creation, co-financing and co-location of services.

There are ***many similarities in the key economic sectors being targeted across the city regions*** with all six targeting low carbon and environmental and technologies; five of the six city regions targeting advanced manufacturing, creative and digital, and health and social care. Four of the six are targeting financial and professional services, leisure and tourism, and transport and logistics.

In terms of the specific actions developed and being implemented in the city regions, the main action areas are around:

- ***Enhanced education-employer linkages*** – particularly around STEM subject areas.
- ***Greater employer investment and ownership in skills*** – particularly in management and leadership skills and technical skills related to key sectors.
- ***Establishing 'hubs' to increase employer awareness and access to apprenticeships, skills investment and/or education-business initiatives***. As part of this, employers (particularly SMEs) in some city regions can access incentives to create additional apprenticeships or jobs, while public funding for skills has been directed to employers in Liverpool city region via its Skills for Growth Bank.
- Greater understanding of local and future skills needs through ***investing in labour market intelligence*** (LMI).
- ***Enhanced careers information, advice and guidance (CIAG)*** provision that builds on the LMI generated above.

Funding for the skills actions varies across the city regions but typically exceeds £100m over a 3-year period. ***Funding comes through the devolution of UK government funding (e.g. DWP, BIS or SFA), ESF monies, the pooling of local skills funding, and employer contributions***.

All six city regions have established an ***employment and skills board*** to provide strategic leadership to the skills agenda and review the effectiveness of skills provision in their city regions.

Implications for SIP

- Skills partners in comparator, competitor UK city regions have been working collaboratively on addressing their skills issues for at least five years, indicating that the Glasgow city region is a little behind the pace in city region skills planning and delivery.
- There are many similarities in the key skills priorities of the comparator city regions and in the key sectors being targeted. This raises two questions: *should Glasgow city region aim to be distinctive in its skills approach*; and *can Glasgow city region be distinctive?*
- Increasing employer involvement in the skills system is seen to be critical – whether influencing and shaping the city region's skills system, working with and in schools and colleges, taking on apprentices, or investing in higher level skills. Achieving this requires making it easy for employers to get involved (e.g. through 'hubs' that bring a single point of contact) and possibly financial incentives to encourage their participation.
- All have secured funding at the city region level for skills investments. This has come from three key sources: the devolution of central government monies (driven by clear asks from city region partners of central government), the aggregation of local pots of funding (including ESF monies), and the contributions of employers (e.g. in apprenticeships). There is currently no skills investment made or decided at the Glasgow city region level and this will need to be addressed to support city region skills planning and delivery.
- Clear city region governance structures are needed to oversee the functioning of the city region skills system and should include high level public and private sector representation.

5. PRINCIPLES, MISSION, STRATEGIC OUTCOMES AND AREAS OF ACTION

Principles of Skills Planning and Delivery at the City Region Level

In developing the SIP's mission, strategic outcomes and areas of action, it is important to understand the context in which the SIP has been developed.

- ***Across the CR, there is already substantial investment in skills*** – spanning:
  - Local authority funding for school education, which is a statutory duty for local authorities.
  - Mainstream national funding via SFC and SDS for the CR's six regional colleges, six universities and Modern Apprenticeships.
  - Funding from DWP, Scottish Government, SDS, ESF, local authority and other charitable sources for employability services.
- The decision making for employment and skills investment happens at the UK and Scottish levels, and at the local level in terms of school education, which means it is not straightforward to bring these together at a CR level. Indeed, although there are consultations with local stakeholders around outcome agreements for colleges and universities and co-commissioning with SDS on the Employability Fund, ***currently no employment and skills investment decisions are made at the CR level***.

The movement towards a CR skills approach, as part of the wider commitment to joint-working across the CR, is therefore a radical step forward. It will take time and commitment from partners to develop and in the early stages the priorities should be to:

- Ensure that the CR's skills investments deliver on the employment and skills requirements of the City Deal.
- Provide a skills response, including allocating skills investment, to the CR Economic Strategy and Enterprise Review priorities.
- Build an evidence base to understand where skills investment at the CR level will generate greater returns than existing arrangements.
- Understand better the skills needs of the CR and the extent to which current and planned provision effectively addresses these.

Once the evidence base is established, partners will then be in a more informed position to decide where CR employment and skills investment will add most value. This will be ***essential in generating the credibility*** required to make the case for:

- Giving the CR ***much greater leverage*** over how colleges, universities, SDS and DWP Jobcentre Plus invest their employment and skills resources.
- More radically, ***justifying the devolution of national funding down to CR level***.

Mission, Strategic Outcomes and Areas of Action

The mission and strategic outcomes to 2036 and the areas of action for 2016 to 2019 agreed by the Skills and Employment Working Group for the SIP are set out in Figure 5.1 below.

- The mission and strategic outcomes are designed to provide direction and ambition for CR partners, with the strategic outcomes designed to allow them to be monitored over time.

- The areas of action are designed to contribute to the delivery of the strategic outcomes, and are supported by a series of more detailed actions that are contained in the Action Plan in Section 6. The material shaded in yellow in Section 6 indicates new actions as opposed to building on existing actions.

Figure 5.1: Mission, Strategic Outcomes and Areas of Action

MISSION FOR 2036

Create the most effective skills system, compared to other comparable city regions across the UK and Europe, through evidence-based investment and innovation

STRATEGIC OUTCOMES

1. City Region working is the norm for skills investment, planning and provision	2. Many more employers able to access individuals with the skills they need	3. Many more residents in work that matches their aspirations and skills	4. Many more jobs and better quality jobs created and sustained due to more effective skills supply	5. Earnings inequality and neighbourhood deprivation reduced through better access to skills and qualifications

AREAS OF ACTION FOR 2016-2019

1. Ensuring there are sufficient locally skilled construction, civil engineering and other specialist skills to deliver City Deal projects	2. Developing clear, well-articulated and well-used pathways into and through key sectors and occupations	3. Providing high quality services to tackle the barriers to employment faced by those further from the labour market	4. Maximising partner use of all tools at their disposal to generate employment and training opportunities	5. Supporting businesses to move up the value chain, improve productivity and competitiveness, and capitalise on opportunities for internationalisation	6. Building capacity and evidence to underpin a CR-wide approach to skills investment, planning and provision that aligns with CR needs and opportunities

Building in Flexibility

The SIP must be sufficiently flexible to be able to respond to changing circumstances. Whilst it is not possible to know what issues may arise in the future, there are a number of current issues that are likely to impact on the partners' ability to achieve the mission and strategic outcomes. In terms of external factors these include:

- The ***referendum vote for the UK to leave the European Union***. There remains a great deal of uncertainty around:
  - The timescales for invoking Article 50.
  - The UK Government's migration policy post-exit – with the key issues being the extent to which the UK agrees to free movement of people from the EU in exchange for trade access and whether current EU migrants will be given the right to remain in the UK post-exit. Migrants form an important part of the CR's labour market. At the time of the 2011 Census, there were approximately 31,000 residents that were born in other EU countries and 75,600 that had been born in other non-EU countries. Linked to this, the CR's universities attract a large number of overseas students – particularly at the postgraduate level – as well as staff, and again the impact of leaving the EU on this is uncertain.
  - The impact the referendum result with have on the attractiveness of the CR as a place to do business – with this impacting on both businesses currently located in the CR and potential inward investors.
  - The potential impact on the CR's universities' ability to attract research funding.
  - Whether the negotiations lead to a second Scottish Independence referendum and the result and implications if this lead to Scotland leaving the UK (for example, the terms for rejoining the EU).
- The ***review of the enterprise and skills agencies*** being undertaken by Scottish Government. In particular, the review of skills agencies will determine the oversight and funding of skills investment going forward.
- The details of the ***Apprenticeship Levy*** (in terms of its scope, the levy rate and how it will be implemented) – and the implications of this for CR employers and skills providers. The implementation of the Levy is currently the subject of a UK Government consultation.

Within the City Region itself:

- A ***City Region Economic Plan*** is currently being developed. It will be important that the SIP is aligned with the economic plan.
- The CR has commissioned an ***Enterprise Review***. Again it will be important that the SIP is aligned with the actions taken forward in response to the recommendations made in the review.
- Consideration of how the SIP can align with the ***Glasgow Leadership Board*** as it develops its future direction.

6. ACTION PLAN FOR 2016 TO 2019

AREA OF ACTION 1: ENSURING THERE ARE SUFFICIENT LOCALLY SKILLED CONSTRUCTION, CIVIL ENGINEERING AND OTHER SPECIALIST SKILLS TO DELIVER CITY DEAL PROJECTS	
KEY EVIDENCE ON NEED TO TAKE ACTION	**SIP ACTIONS**
• **£1.13bn City Deal will have major impact on employment and skills requirements in CR, particularly in construction and civil engineering sectors** • **Life sciences opportunities – in the region of 450 jobs – will also be generated through City Deal projects, as will 600 jobs stemming from the Centre for Business Incubation and Development** • **Consensus across consultees that important that local residents (and contractors in terms of infrastructure projects) benefit from these opportunities** • **In 2015, 3.1% of employed residents were employed in skilled construction and building trades occupations, below the Scottish rate of 3.5%** • **6.1% of enrolments at CR colleges in 2014/15 were in construction and property (built environment) – with 7,220 enrolments.** – 19% of these were at HE level and 81% were at FE level. – Over the last 5 years, the numbers enrolling in construction and property (built environment) courses has decreased - but this reflects the overall decline in student numbers. • **In 2015/16, there were 1,799 MA starts in construction and related frameworks – and increase of 400 or 22% on 5 years earlier.** • **Consultees reported that Community Benefit (CB) clauses used by local authorities but that** – CB clauses are not used routinely in all areas – Service contracts are less likely to be use CB clauses than construction contracts – There is limited monitoring of impacts of CB clauses	• **Establish CR process for:** – Generating project-by-project information on employment and skills requirements – Assessing extent to which skills are already, and likely in future to be available in CR, and capacity of providers to deliver – Amend provision where gaps identified - with a particular focus on using the evidence base to make case for adjusting SDS, college and university provision – Sharing information across partners and providers including those preparing young people for future employment opportunities • **Ensure use of Community Benefit clauses across all City Deal projects** with a focus on maximising outcomes for local residents – see Area of Action 4

ASSETS TO BUILD ON		
• There are already a significant proportion of Glasgow residents with construction, civil engineering and other specialist skills • Colleges, universities and MA providers have expertise in delivering construction, civil engineering and other specialist skills • City Deal Procurement Strategy in place through Scotland Excel • City Deal Community Benefits Strategy in place • Procurement Reform (Scotland) Act 2014 places requirement on public bodies to consider how procurement can be used for economic benefit of areas • Experience of using CB clauses in CR – e.g. hub West Scotland, local authorities		

<table>
<tr><th colspan="2">AREA OF ACTION 2: DEVELOPING CLEAR, WELL-ARTICULATED AND WELL-USED PATHWAYS INTO AND THROUGH KEY SECTORS AND OCCUPATIONS</th></tr>
<tr><th>KEY EVIDENCE ON NEED TO TAKE ACTION</th><th>SIP ACTIONS</th></tr>
<tr><td rowspan="3">

- **The proportion of school leavers going into a positive destination is slightly below the Scottish average (92.5% vs 92.9%) with a lower proportion going into employment than across Scotland as a whole (19.4% vs. 21.7%)**
- **The proportion of young people aged 16-19 not in employment, education or training is above the Scottish average (6.9% vs. 6.4%) with rates significantly higher in some localities within the CR (e.g. West Dunbartonshire – 9.7%)**
- **Consultees felt:**
  - There was a lack of understanding and awareness of the current jobs available within CR and routes into them. This is exacerbated when trying to understand future and emerging areas of employment growth in the CR
  - Employers and individuals struggle to understand transferability of qualifications and skills
  - Competition for clients and learners makes landscape confusing
  - It is hard for individuals to progress from entry-level jobs
  - This reinforces gender segregation and underrepresentation of individuals with protected characteristics (e.g. race, disability) or other support needs (e.g. care leavers) in some sectors and occupations
  - Foundation Apprenticeships do not target the ‘at risk of’ NEET group as they are designed for Senior Phase pupils able to achieve at SCQF L6 – and so may have little impact in tackling CR’s NEET population

</td><td>

- **Develop materials for young people (school pupils, students and graduates), under-employed, workless individuals and career changers** to help them understand the routes into and through CR’s key sectors and occupations
  - Builds on horizon scanning action and Sector Skills Investment Plans
  - Important to ensure cover all routes into sectors and occupations (e.g. college, university and MAs)
  - For young people in school, ensure links between Foundation Apprenticeships and key sectors/occupations are clear
  - Encourage importance of being agile and resilient in the labour market, as well as the use and application of transferable skills (e.g. digital, enterprise, customer service)
  - Encourage young people to develop international perspectives
  - Enables individuals to progress into higher paid jobs, freeing up entry level positions
  - DYW Regional Groups should be involved in developing these materials

</td></tr>
<tr><td>

- Develop **CR-wide pre-apprenticeship routes** for young people NEET into CR’s key sectors taking advantage of increase in MA target
  - Colleges can potentially play a key role in delivering the pre-apprenticeship routes

</td></tr>
<tr><td>

- **Build a holistic package of supports for Universal Credit in-work clients** to enable them to sustain and progress in work and tackle poverty

</td></tr>
</table>

ASSETS TO BUILD ON		
• SDS Digital Services: My World of Work and Our Skillsforce • SDS Careers Information Advice and Guidance teams • Work of DYW Regional Groups to: – Encourage and support more employers to engage directly with education through school-college-business partnerships; and – Encourage more employers to recruit more young people and promote diversity in the workplace. • Modern Apprenticeship system – with plans to increase the number of MA starts across Scotland to 30,000 per annum by 2020 and greater focus on higher level MAs • Roll-out of Foundation Apprenticeships – with these due to be operational in all 8 CR local authorities by 2017/18 • Skills Investment Plans set out skills needs of key sectors and have industry buy-in • DWP Work Coaches – working more intensively with those in first 13 weeks after claim and continuing to engage after job entry • DWP Flexible Support Fund and Sector-Based Work Academies • Well-developed articulation routes from colleges to universities in some subject areas (e.g. nursing, engineering and IT) • Widening Access programmes into CR's universities • University and college careers services • City Deal In-Work Progression project with care sector • DWP in-work progression pilots, • Priority in ESF 2014-2020		

AREA OF ACTION 3: PROVIDING HIGH QUALITY SERVICES TO TACKLE THE BARRIERS TO EMPLOYMENT FACED BY THOSE FURTHER FROM THE LABOUR MARKET	
KEY EVIDENCE ON NEED TO TAKE ACTION	**SIP ACTIONS**
• **ILO unemployment was 6.7% in the CR in 2015 – above the Scottish rate (5.9%)** • **Similarly, the proportion of the working age population claiming DWP out-of-work benefits and young people aged 16-19 NEET where higher than the Scottish average** • **For all of these indicators, there is significant variation across the region – with concentrations of unemployment and worklessness in specific localities** • **CR working age population projected to fall, yet number of jobs forecast to increase – so need to increase economic participation rate** • **Public sector spending cuts and shifts in funder priorities impact on resources available**	• Work collectively to: – **Secure resources** to deliver high quality employability services – **Increase effectiveness** of employability services to deliver better outcomes – **Explore and adopt opportunities for CR-wide approaches** that improve effectiveness and value for money – Where appropriate, **use evidence base to make case for devolving national funding to the CR level**
ASSETS TO BUILD ON	• **Commission at CR level specialist employability services for priority groups where lack of scale at local level makes it difficult to deliver effective services** – For example, learning disabilities, physical disabilities, mental health, care leavers – Build on Employability Fund co-commissioning model
• **All local authority areas have employability pipelines in place** • **Strong local expertise in design and delivery of employability services** – However, delays in ESF 2014-2020 funding has impacted on capacity in some areas • **Good working relationships between employability partners at local level** • **Employability services are being devolved to Scotland** • **ESF 2014-2020 is focused on supporting those further from the labour market** • **City Deal includes 3 employability projects – all now established** • **Employability Fund (SDS) provides support to young people to develop their employability and vocational skills and gain experience – co-commissioned with other local partners to help ensure it meets needs of local economy**	

AREA OF ACTION 4: MAXIMISING PARTNER USE OF ALL TOOLS AT THEIR DISPOSAL TO GENERATE EMPLOYMENT AND TRAINING OPPORTUNITIES

KEY EVIDENCE ON NEED TO TAKE ACTION

- **Substantial public investment via City Deal and other projects across CR in next 20 years – spanning infrastructure, education, health, museums and public sector offices – generating construction and end-use jobs**
- **Important to maximise employment and training opportunities from these**
- **Consultees reported that Community Benefit (CB) clauses used by local authorities but that:**
  - CB clauses are not used routinely in all areas
  - Service contracts are less likely to be use CB clauses than construction contracts
  - There is limited monitoring of impacts of CB clauses
- **Limited use of procurement more generally to generate employment and training opportunities (e.g. requiring procurers to demonstrate they undertake training)**

ASSETS TO BUILD ON

- **City Deal Procurement Strategy in place through Scotland Excel**
- **City Deal Community Benefits Strategy in place**
- **Procurement Reform (Scotland) Act 2014 places requirement on public bodies to consider how procurement can be used for economic benefit of areas**
- **Experience of using CB clauses in CR – e.g. hub West Scotland**
- **SE Workplace Innovation services**
- **City Deal In-Work Progression pilot (in Glasgow)**
- **Glasgow Welcomes tourism/ customer service award**
- **Potential to build on college and training provider links with employers**
- **Experience of using employer incentive schemes in CR – e.g. SERI and its predecessors**
- **SDS will launch an Institute for Work Based Learning by the end of 2016. This will include a virtual network involving universities and colleges in every region of Scotland to deliver seamless work based learning pathways**

SIP ACTIONS

- **Step change in the use of Community Benefit clauses** with a focus on maximising outcomes for local residents
  - Prioritise employment and accredited up-skilling opportunities
  - Set up portal to enable CR residents to access CB opportunities across CR
  - Explore opportunities to building linkages between suppliers across CR

- Explore and adopt **employer incentive/subsidy scheme** to encourage CR employers – and particularly small to medium-sized employers – to upskill their workforce or recruit individuals further from the labour market
  - Need to carefully designed to minimise deadweight and displacement
  - Consistent offer across CR
  - Used sparingly where other approaches are not available or are ineffective

- **Create a 'skills first' culture** among CR's employers with widespread recognition of benefits of skills investment and employee involvement – through:
  - Employer champions / ambassadors
  - Peer-to-peer learning
  - Case studies
  - Lessons from In-Work Progression pilot
  - Use public sector procurement to encourage up-skilling and adoption of the Living Wage
- Skills first culture translates into greater private sector investment and uptake of public sector provision
- Public sector partners are major employers and must take the lead on this

AREA OF ACTION 5: SUPPORTING BUSINESSES TO MOVE UP THE VALUE CHAIN, IMPROVE PRODUCTIVITY AND COMPETITIVENESS, AND CAPITALISE ON OPPORTUNITIES FOR INTERNATIONALISATION

KEY EVIDENCE ON NEED TO TAKE ACTION

- **Low numbers of CR's businesses export – with having the skills to export one of the challenges to address**
- **In 2014, CR's businesses contributed 22% of Scotland's BERD, yet has 30% of Scotland's business stock. Scotland, as a whole, ranks 9th of the UK's 12 regions on BERD, though it does have highest HERD as proportion of GDP in UK**
- **Consultees reported that employers – and particularly SMEs:**
  - Lack skills and experience to engage in exporting and R&D collaborations
  - Unsure on how new technologies may impact on their future skills needs
  - Value one-to-one advisory and consultancy support that helps them identify their skills needs and offer options on how to address these

ASSETS TO BUILD ON

- **CR Economic Plan being developed**
- **CR Enterprise Review being undertaken**
- **Scottish Enterprise services**
- **Business Gateway services**
- **Scottish Development International services**
- **Local authority business support services**
- **Innovation Centres**
- **MediCity and Tontine incubators to support start-ups in high value sectors**
- **Glasgow Economic Leadership programmes**
- **Other business support services (e.g. by Chambers of Commerce)**

SIP ACTIONS

- **Share intelligence from the horizon scanning** with employers – and particularly SMEs – to support their future planning
- **Promote existing business development support services** to local employers
  - Ensuring high uptake of services especially around exporting, developing management and leadership competencies, facilitating investment and innovation
- **Harnessing the skills in the CR's universities and Innovation Centres** to support businesses to utilise R&D to grow and develop
- Build appropriate linkages between CR skills provision and the priorities and actions recommended from CR Economic Plan and Enterprise Review

<table>
<tr><th colspan="2">AREA OF ACTION 6: BUILDING CAPACITY AND EVIDENCE TO UNDERPIN A CR-WIDE APPROACH TO SKILLS INVESTMENT, PLANNING AND PROVISION THAT ALIGNS WITH CR NEEDS AND OPPORTUNITIES</th></tr>
<tr><th>KEY EVIDENCE ON NEED TO TAKE ACTION</th><th>SIP ACTIONS</th></tr>
<tr><td>• Funding and priorities are set at national, local authority or sub-CR geographies. There is currently no skills investment made or decided at the CR level
• Number of administrative boundaries within CR – e.g. 8 LAs, 3 Regional College areas/DYW Regional Groups, 2 DWP regions
• CR approach is relatively new and will take time and resources to embed
• Lack of intelligence to understand employer recruitment and skills needs and timescales
• Particular challenges understanding emerging sectors and skills needs of these</td><td rowspan="3">• Establish a CR-wide process for:
– Agreeing skills priorities at CR level (e.g. balance of efforts across different age groups, priority groups, type and level of skills provision, and economic sectors)
– Aligning skills provision (radically where appropriate) with agreed priorities and evidence from horizon scanning.
❖ This should include using the evidence base to make the case for college, university, SDS and DWP Jobcentre Plus investment to be aligned with the CR's needs and for the devolution of national funding to the CR level
❖ Action planning should be put in place with colleges, universities and other skills providers
– Establish monitoring and evaluation framework that enables partners to systematically review and revise provision (radically where appropriate) in light of outcomes and destinations achieved
❖ Establish a small number of clearly-define indicators against which progress will be measured (e.g. increase in employment rate to …, reduction in youth employment to …)
❖ Should include understanding added value of CR-wide employment and skills projects (e.g. Working Matters and Youth Gateway) and to roll out the lessons to support further CR working
❖ Institute annual review of performance</td></tr>
<tr><th>ASSETS TO BUILD ON</th></tr>
<tr><td rowspan="2">• Partnership in place and partners committed to strengthening CR approach
• Regional College/DYW Regional Groups encourage collaboration across local authorities – but not CR-wide
• 2 City Deal employability projects operating across CR
• Regional Skills Assessment provides common understanding of key data
• Colleges and universities undertake regular curricula reviews to align provision to employer and sectoral needs
• Partnership in place and partners committed to strengthening CR approach
• Regional College/DYW Regional Groups encourage collaboration across local authorities – but not CR-wide
• MA opportunities aligned to sectoral needs
• Employer-led DYW Regional Groups are working to develop stronger links between employers and education
• Tontine and MediCity incubators will provide mechanism to reach some emerging sectors</td></tr>
<tr><td>• Establish a CR-wide approach to horizon scanning for future employment and skills needs
– To complement existing forecasts, establish process for gathering data on needs of CR employers to develop up-to-date and nuanced overview of sector-specific and cross-cutting skills needs. This should include employer surveys, gathering inputs from DYW Regional Group employers, utilising</td></tr>
</table>

		NHS and local authority workforce planning data, scenario planning and making use of Talent Scotland vacancy database – Must encompass understanding needs of CR's existing employers and potential inward investors – As well as examining overall trends, should also undertake analysis of specific key CR sectors and cross-cutting skills (including digital, enterprise and exporting)
		• Develop processes and materials to **share horizon scanning with key partners** that are preparing young people, underemployed, workless individuals and career changers for employment opportunities (including DYW Regional Groups, schools, colleges, universities, SDS, DWP and employability services)
		• Establish **Flexible Skills Investment Fund** to respond to future economic development opportunities and/or challenges which we cannot predict at this point in time – e.g. stemming from sectoral growth or decline, inward investment, growth businesses

APPENDIX 1: OVERVIEW OF MAJOR PLANNED CAPITAL INVESTMENTS

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
EAST DUNBARTONSHIRE							
Capital Investment Programme	10 year programme including schools, customer service hubs, community facilities (e.g. sports centre), Bishopbriggs relief road		Local authority	2016	2026	Education Sport and leisure	
EAST RENFREWSHIRE							
M77 Strategic Corridor	Various projects around M77 including new visitors centre, new road link, business incubation facilities, country park improvements and new rail station	£44.0m	City Deal - Infrastructure				
Schools investment programme	1 secondary school and 2 primary schools		Local authority			Education	Construction Education
GLASGOW							
Metropolitan Glasgow Drainage	Portfolio of 14 projects including realignment of watercourse channel, dynamic management of Forth and Clyde Canal and surface water management interventions	£45.8m	City Deal - Infrastructure			N/A	Construction
City Centre Public Realm Programme	Site remediation, new Cowlair and M8 bridges and road access, public realm works and place making improvements	£199.2m	City Deal - Infrastructure			N/A	Construction
Govan and Clyde Waterfront Regeneration	Transport and public realm works	£113.9m	City Deal - Infrastructure			N/A	Construction
Collegelands Calton Barras	Station upgrade, transport and public realm works	£27.0m	City Deal - Infrastructure			N/A	Construction
Centre for Business Incubation and Development	Business incubator space in Tontine Building, Merchant City	£4m	City Deal – Business Growth and Innovation			All business types	Over five years, 125 firms supported and 600 new jobs created

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
University of Glasgow Campus Masterplan	New Learning & Teaching Hub Research Hub	£1,000m	University of Glasgow	2016	2026	Higher education R&D	Construction (2,500 jobs) Higher education R&D
Queen Street Station Redevelopment	Redevelopment of station	£104m	Network Rail / Edinburgh Glasgow Improvement Programme	2016	2019	Transport Retail	Construction Transport Retail
Kelvin Hall	Renovation of Kelvin Hall to new Glasgow Club gym, as well as museum and library venue	£60m	GCC, Glasgow Life, University of Glasgow, National Libraries of Scotland	2014	Autumn 2016	Museum, library and leisure centre	Sport and leisure
Stratified Medicine Scotland Innovation Centre	New centre for treatment development – including an Imaging Centre of Excellence	£16m	City Deal – Business Growth and Innovation, Scottish Funding Council			Medical R&D	Construction Life sciences (300 jobs)
Merchant Hotel Glasgow	New 395-bed hotel, Merchant City		Private developer			Hotel	Construction Hospitality
Radisson Red Hotel	New 176-bed hotel, SECC area	£30m	Private developer	2016	2017	Hotel	Construction Hospitality (60 jobs)
INVERCLYDE							
Ocean Terminal	Extension of quay wall and development of derelict land	£14.2m	City Deal - Infrastructure				Construction
Inchgreen	Land remediation, access works and pier upgrading	£9.4m	City Deal - Infrastructure				Construction
Inverkip	Land remediation and development of waterfront access	£3.8m	City Deal - Infrastructure				Construction
Greenock Health and Care Centre	New primary care services	£19m	Scottish Government				Construction Health and social care
Expansion of Port Glasgow Retail Park	Additional 37,500 sq ft in retail space / 10 new retail units	£40m	Ediston Real Estates	2016	2016	Retail	Construction Retail
NORTH LANARKSHIRE							

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
Pan Lanarkshire Orbital Transport Corridor	New East Airdrie link road from Newhouse to Stand, alongside package of infrastructure investment in Motherwell town centre and rail station	£94.0m	City Deal - Infrastructure				Construction
Gartcosh Community Growth Area	New road, junction, park and ride and commercial developments	£66.0m	City Deal - Infrastructure				Construction
A8/M8 Corridor Access Improvements	New road infrastructure to exploit established commercial development on A8/M8 corridor, expand road to rail freight activity, and park and ride facilities	£12.0m	City Deal - Infrastructure				Construction
MediCity Scotland facility	Incubator to provide environment for companies to innovate and commercialize in MedTech, Digital Health, Healthcare and Wellness. Non-jobs outcomes include 81 businesses supported, 19 new companies established and 40 new products launched.	£4m	City Deal – Business Growth and Innovation			Medical R&D	150 jobs in high growth start-ups
RENFREWSHIRE							
Clyde Waterfront and Renfrew Riverside	New opening bridge crossing in Renfrew/Yoker area, new Renfrew Northern Development Road, and Green Network improvements	£78.3m	City Deal - Infrastructure				Construction
Glasgow Airport Economic Investment Areas	Realignment of Abbotsinch Road and other access improvements to open up vacant development sites	£51.4m	City Deal - Infrastructure				Construction
Braehead Centre Extension	New retail department store and other retail space New events arena 200-bed hotel	£200m	intuBraehead			Retail Leisure Hotel	Construction Retail Leisure Hospitality
Hillington Park expansion	Evolution Court will create 85,000 sq ft of space targeted at manufacturing, logistics and distribution firms	£6m	Oaktree Capital Management and Patrizia UK	2016	2017	Manufacturing Logistics and distribution	120 FTE end-use jobs

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
	Two 18,000 sq ft units for Ducati Glasgow, Triumph Glasgow and Harley Davidson	£4m	Patrizia UK	2016	2017	Retail	Unclear – as relocations from Glasgow city centre
Regeneration of Paisley town centre	Refurbishment of Paisley museum into National Museum of Textile and Design	£56.7m	Renfrewshire Council		2021	Tourism	238 jobs
SOUTH LANARKSHIRE							
Community Growth Areas (CGAs)	Infrastructure improvement works to unlock development and promote investment in key sites at Newton, Hamilton, Larkhall and East Kilbride	£62.3m	City Deal - Infrastructure				Construction
Stewartfield Way	Upgrading road to full dual carriageway	£62.2m	City Deal - Infrastructure				Construction
Greenhills Road / A726 Dual Carriageway	Road widening to dual carriageway	£23.1m	City Deal - Infrastructure				Construction
Cathkin Bypass	Road infrastructure works, including relief road, quality bus measures and associated pedestrian and cycling improvements at Rutherglen	£21.6m	City Deal - Infrastructure				Construction
East Kilbride Action Plan							
WEST DUNBARTONSHIRE							
Exxon Site	Remediation and site raising works, provision of services and utilities, new road access and junction improvements	£27.9m	City Deal - Infrastructure				Construction
West Dunbartonshire Council offices	New council offices in Dumbarton town centre	£16m	West Dunbartonshire Council	2016	2017	Public administration	Construction Public admin – but relocations
Clydebank Health Centre	New primary care services	£19m	Scottish Government				Construction Health and social care
PAN REGIONAL							

Name	Descriptor	Investment	Source of Funding	Start Date	End Date	End Use	Jobs
Glasgow Airport Rail Link	Improved surface access between Glasgow city centre, Paisley and Glasgow airport	£144.3m	City Deal - Infrastructure				Construction
Strathclyde Bus Investment Programme	Package of bus improvement measures across city region	£30.0m	City Deal - Infrastructure				