



Skills Investment Plan

For Highlands and Islands



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Executive Summary

The overarching message from the evidence we have assembled is one of opportunity. The Highlands and Islands economy has been growing strongly over the last ten years and the potential for growth, both from existing companies and inward investment is of national significance.

This opportunity also however brings into focus some challenges. Some companies are already reporting difficulties recruiting for some key skills – and these could be exacerbated in the absence of concerted action. Businesses also report that it can be more difficult to access training locally, and when it is available it can be more expensive. There is also some strong evidence of an already tight labour market; unemployment levels are lower in the Highlands and Islands than the national average (and significantly so in some areas), and more of the workforce is already in some sort of employment, be it full-time, part-time, or self-employed.

However, perhaps the biggest challenge highlighted by the evidence for the region and our communities is the retention and attraction of working age people. While there has been strong population growth, driven by in-migration, this has typically been of older people, and in particular those aged over 65. The recent pattern

of migration has reinforced the older age profile of the Highlands and Islands and over many years has created a deficit of skilled people of working age, particularly in the 15 – 39 age group.

A key focus of our discussions has been on the potential to better align the investment of all agencies and partners involved in supporting skills development behind this agenda and retaining more young people in the region. The evidence has shown that there is good work to build on. UHI is now firmly established as a University and there are now more than 9,300 students taking higher education qualifications across the four higher education Institutions (HEIs) operating in the region. More than 1,375 of these students came from outside the Highlands and Islands.

At the same time in 2011 more than 8,000 young people from the Highlands and Islands were pursuing higher education out with the region, with the majority going to Aberdeen, Glasgow and Edinburgh. While many factors drive a young person's decision to leave, one of the key concerns of employers – and partners – is that this is a reflection of the range of current learning opportunities available in the region. The establishment of UHI as a University in 2011, the presence of other internationally recognised HEIs in the Highlands and Islands and the scale of the economic opportunity that is emerging, all offer opportunities to slow this pattern of out-migration and encourage more young people to study, train and work in the Highlands and Islands.

We have also considered the alignment of the provision in the Highlands and Islands with the current and future skills needs of employers. Again there is some good evidence of alignment with the needs of key sectors, and increased investment in the provision of UHI, other HEIs, colleges and Modern Apprenticeships, for example energy, engineering and food and drink.

Executive Summary continued

However there is also evidence of a need to do more particularly around digital technologies and STEM subjects. There is also an opportunity to build on existing initiatives by better informing career guidance in schools, increasing awareness of employment opportunities in the region and increasing the opportunities that young people have to live, study and work in the region.

While the plan is focused on the vital role of skills development in supporting the economic growth of the region, we are convinced that action on skills development can only be successful if it is seen as an integral component of a wider approach that also seeks to attract people of working age to the Highlands and Islands. This will involve the development and delivery of regional and local attraction strategies, and will need to be intrinsically linked to wider efforts to maximise regional competitiveness around ensuring adequate housing, transport and digital infrastructure, especially in more rural areas.

Finally the report is clear in its view that employers will play a central role in securing the economic opportunity, and should be central to the design and delivery of skills solutions. We set out a number of ways in which the partners will work with employers to secure better intelligence on current and future skills needs and involve industry more effectively in the design of curriculum and providing work experience and employment for young people.

With confidence returning to the economy and jobs growth predicted across both traditional and growth sectors, there has been consistent and positive support from partners for collective action to boost the region's competitive edge on skills and expertise and creating a more agile and adaptive skills system which engages employers and individuals and aggressively pursues economic growth, and growth in the working age population.



Jourgen Joubert of J&K Anderson in Shetland

Introduction

The Highlands & Islands is a region of economic growth and opportunity. People and their skills are at the heart of the region's recent success and will be central to the region's ability to capitalise on growth opportunities and the associated economic and community benefits.

Skills Development Scotland (SDS), Highlands and Islands Enterprise (HIE) and the Scottish Funding Council (SFC) have worked closely to develop this first phase of the Highlands and Islands Skills Investment Plan (H&I SIP).

In 2013 senior colleagues from Highlands and Islands Enterprise, the Scottish Funding Council and Skills Development Scotland met to discuss regional skills planning in light of the scale of emerging economic opportunities flowing from growth businesses in the Highlands and Islands and potential inward investment activity. The collective ambition of the three agencies in developing the Highlands & Islands Skills Investment Plan (H&I SIP) was for the Highlands and Islands to be positioned as a region with outstanding skills and potential for further skills development.

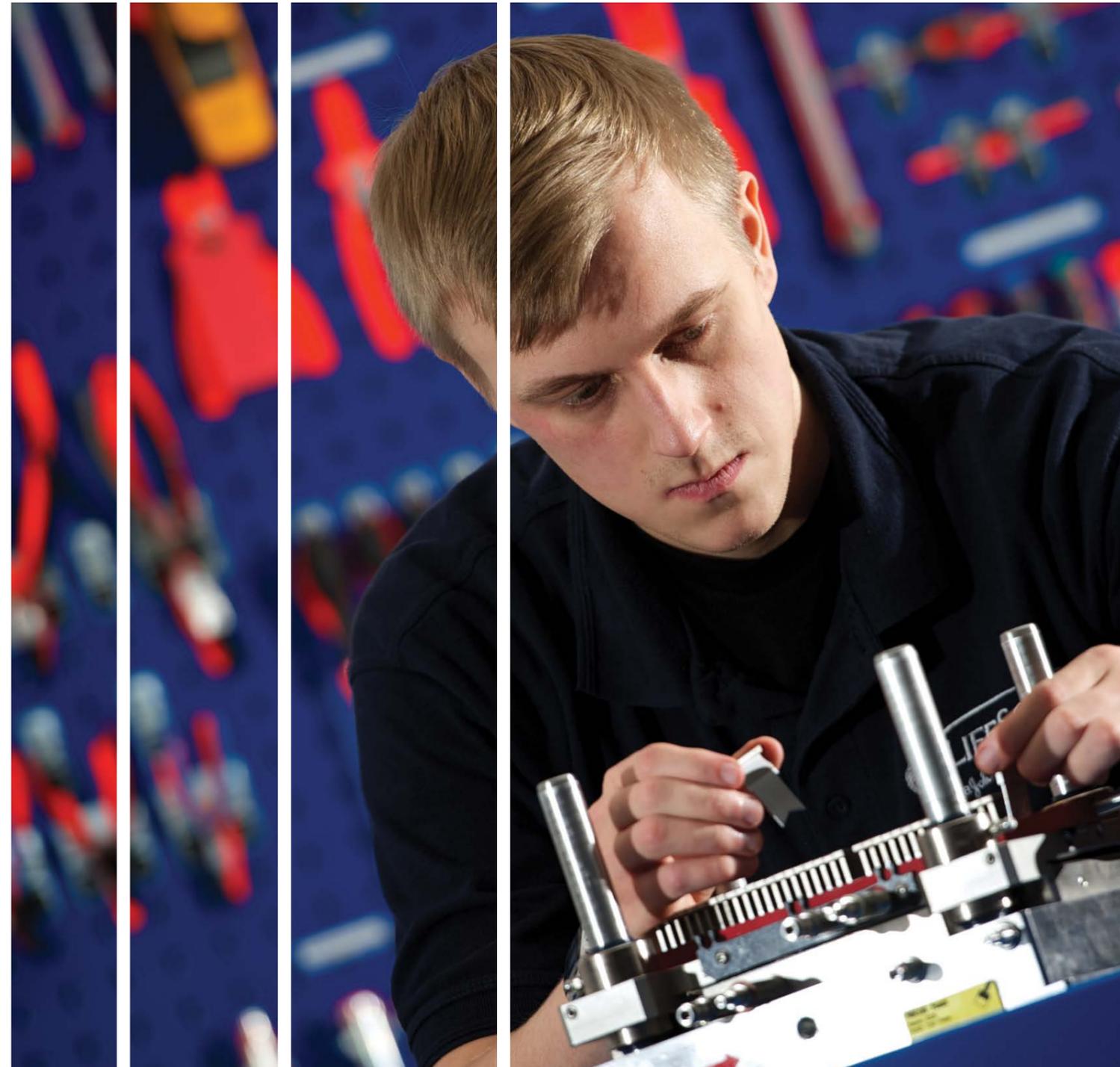
At the outset we recognised that the timing of the work, taking place at the same time as reforms in further and higher education, offered a major opportunity for greater collaboration with the public and private sector around curriculum development and closer alignment to future jobs and growth

in the region. Skills Development Scotland's Skills Investment Plan model was identified as an appropriate vehicle to develop the evidence base and test key findings with partners from across the public, private and social sectors, who make up our communities and drive the demand for the skills and expertise of our people.

A project team was established to take the programme of work forward, supported by contracted expertise from Economic Consultants SQW. From the outset, it was clear that while the recent economic performance of the Highlands and Islands as a whole had outstripped the rest of Scotland, the development of the H&I SIP had to take account of the important sub-regional distinctions within the Highlands and Islands. It became clear that the work programme would require a level of local granularity, in addition to regional analysis. This additional research was supported by extensive consultation to satisfy the project team that they had sufficient evidence upon which to base their primary findings and recommended areas of focus.

This first phase of the development of the H&I SIP was facilitated by SDS, along with HIE and SFC. This work was supported by engagement and insight from local authority partners, and evidence and consultation with employers, large and small, in the Highlands and Islands. Throughout 2013:

- HIE led on the examination of the recent economic performance of the Highlands and Islands, and its constituent local authority areas, through their sector route-maps, provided insight on where future economic growth and jobs are likely to emerge, and provided analysis of population and demographics
- SFC led on the mapping of current provision of education in the region at FE and HE level, supplemented by analysis from SDS on the uptake of Modern Apprenticeships



Gordon Sutherland of Lifescan in Inverness

Introduction continued

- SDS led on the synthesis of evidence on the current and future skills needs of employers via the Employers Skills Survey, the national sectoral Skills Investment Plans, and surveys and workshop with employers
- SDS co-ordinated inputs from each of the national partners and carried out consultations with each of the Local Authorities to identify specific sectoral and local opportunities across the region
- SDS co-ordinated and carried out a series of sectoral workshops involving staff from HIE, SDS and SFC to reach consensus on emerging skills issues – and the responses that might be required.

A draft H&I SIP was presented to the Convention of Highlands and Islands (CoHI) on October 28th 2013. The plan was warmly endorsed by CoH&I who agreed to establish a Short Life Working Group to help finalise the H&I SIP document. The Short Life Working Group was chaired by the leader of Highlands Council, Drew Hendry, and the membership of the group was drawn from SDS, HIE, SFC, each of the Local Authorities who participate in CoHI (Argyll and Bute Council, Comhairle nan Eilean Siar, Highland Council, Moray Council, Orkney Islands Council, North Ayrshire Council¹ and Shetland islands Council) as well as UHI and representatives from the College Sector and NHS Highland.

Specifically the Short Life Working Group was tasked with:

- ensuring that a number of regionally important sectors and issues were included within the plan, namely care and the forestry sector as well as entrepreneurship
- developing a prioritised set of regional actions that would be delivered to support the ambitions of the H&I SIP
- agreeing a governance structure for overseeing and monitoring the implementation of the plan.

The Short Life Working Group met in January 2014 and May 2014 and a number of important principles were agreed with respect to the implementation of the Regional Action Plan:

- the action plan should seek to influence the mainstream activities of partners and provide a framework for aligning additional funding with employer needs
- while the action plan would see activity and provision being established in different parts of the Highlands e.g. A Highlands Science Skills Academy in Inverness and a hub for the Food and Drink Academy in Moray – there was a presumed principle that any new activity contained in the action plan would be available across the whole of the Highlands and Islands
- the action plan should be supported by a focused and dedicated resource to co-ordinate the delivery of the plan and report on progress to partners and CoHI.

Structure of this document

This H&I SIP sets out a shared understanding of:

- the region's recent economic performance and its sectoral and local assets
- the performance of the labour market and the associated demographic challenges
- what we know about the current skills issues facing employers in the Highlands and Islands
- where future economic and jobs growth might come from and the opportunities and challenges that might present
- current education and training provision in the Highlands and Islands
- a framework for future regional action to address the issues identified in the H&I SIP.



Harris Tweed

¹ Data for North Ayrshire has not been included in the Highlands and Islands SIP, but will be included in the forthcoming Regional Skills Assessment for Ayrshire. The Council has been involved however in shaping and prioritising the Regional Action Plan which will have relevance for Arran and Cumbrae – both of which fall within the HIE operating area.

1

Recent performance of the Highlands and Islands economy

The Highlands and Islands is a beautiful and diverse region, covering half of Scotland's landmass. The region is characterised by diverse local economies from Shetland and Orkney in the north, to Argyll and Bute, Arran, Cumbrae and the Outer Hebrides in the west.

More than half of the population lives in the Highland and Moray Council area while almost a quarter live on one of the region's 90 inhabited islands – a number which has risen in the last decade.

Economic growth, employment and the business base

The rate of economic growth in the Highlands and Islands region outstripped that of Scotland between 2001 and 2011 and while the level of GVA per employee in the region was still well below the national average in 2011, there are positive signs that the gap is closing. Over the last 10 years the Highlands and Islands has seen strong jobs and GVA growth in the Government Economic Strategy's Key Sectors. More than a quarter of all Scottish employment in the food and drink sector is in the region. Culture, along with the superb natural environment, are the pillars of a strong sustainable tourism industry and underpin a thriving creative industries sector. The region is also making a significant contribution to Scotland's growing success in new industries including

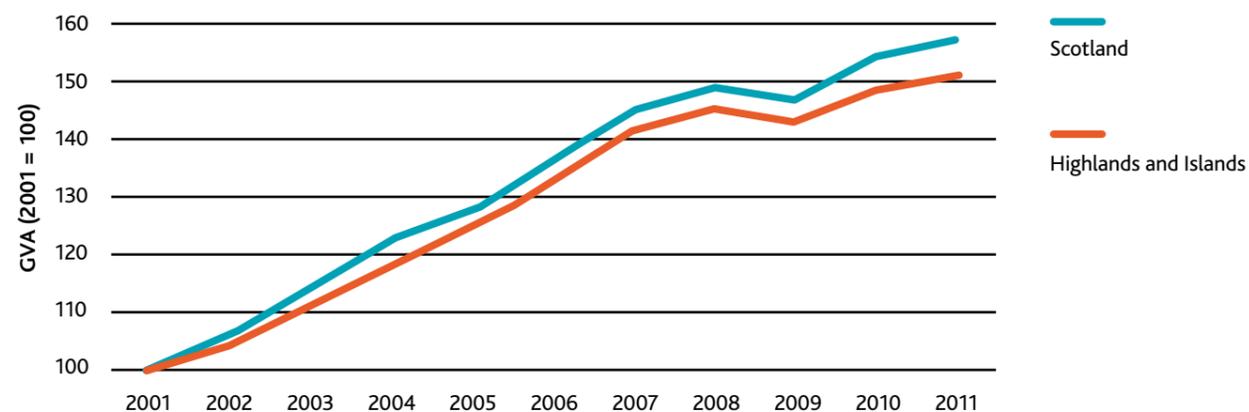
renewable energy, business services and life sciences and will continue to do so in the future. Increasingly, local businesses are taking advantage of digital technologies to enter new markets.

The total number of jobs in the Highlands and Islands was 215,500 in 2011, representing 9% of all Scottish jobs. Employment held up better in the Highlands and Islands than Scotland over the course of the recession, and indeed between 2008 and 2011 there was strong employment growth in both Orkney and Shetland. Half of all jobs are located in the Highland Council area, and a further 16% in Moray.

The region accounts for 9% of Scottish jobs, but has 15% of Scotland's registered businesses in growth sectors¹ and 11% of Scotland's growth sector employment (75,700). Scotland's growth sectors therefore are relatively more prominent in the Highlands and Islands. By far the two largest growth sectors in the region are food and drink and tourism.

More than 32,300 people are employed in food and drink and the sector is a strong part of each local economy across the Highlands and islands. There are concentrations of aquaculture in Argyll and Bute, and the Outer Hebrides and all the islands have a strong reputation for artisan products ranging from Orkney Cheddar, to Stornoway Black Pudding. More seafood is landed in Shetland than across the whole of England and Ireland, and two-thirds of Scottish mussels come from the Islands. Moray is home to international brands such as Baxter's and Walkers Shortbread and the global success of the whisky sector is reflected right across the Highlands and Islands, from world renowned brands including Glenmorangie in Tain, Glenlivet in Speyside, to Highland Park in Orkney, through to new distilleries opening in Uig and Tarbert in the Outer Hebrides.

Figure 1: GVA (current basic prices) indexed 2001 – 2011



Source: ONS (2012)

Note: 2001 base value for H&I £5bn and £72bn for Scotland

Figure 2: Total employment (2011)

	jobs	% of H&I	% change 2008 – 2011
Argyll and Bute	39,200	18%	1%
Eilean Siar	11,000	5%	-2%
Highland	106,000	49%	-8%
Moray	35,100	16%	-2%
Orkney Islands	10,400	5%	13%
Shetland Islands	14,000	7%	15%
Highlands and Islands	215,000	100%	-2%
Scotland	2,332,700	*	-10%

Source: ONS – BRES (2012)

Notes: Due to rounding figures may not sum

1

Recent performance of the Highlands and Islands economy continued

The tourism sector employs more than 24,700 people, and like food and drink, employment is spread right across the Highlands and Islands. Cairngorm National Park and the Moray Coast (along with whisky) are key draws for tourists in Highland and Moray, while each of the islands has its own culture and history which act as distinctive draws for UK and international tourists alike. The proximity of Argyll and the islands to the central belt supports a strong short break market, while the recent investment at Macrihanish has transformational potential when combined with activity to grow the marine and golfing markets.

There has been strong recent growth in energy related employment (est. 13,000 jobs), and the potential for future growth is immense. Total and BP are undertaking major programmes of investment in onshore oil and gas infrastructure at Sullom Voe, and Orkney is home to the European Marine Energy Centre (EMEC) which is providing a global test bed for marine and tidal technologies. On-shore and off-shore wind present major opportunities right across Highland and Moray, with a series of Enterprise Zones created and new investment in port and shore side facilities from Scrabster, to Nigg and Ardersier.

In the inner Moray Firth, financial and business services has been driven largely by inward investment in business process outsourcing from companies such as Atos, Cap Gemini and Serco and it now accounts for 8,900 jobs. Life sciences businesses now employ 1,800 people in Inverness and the Moray Firth as well as in key centres in Argyll and Bute.

Creative industries (including digital media) now accounts for 4,200 jobs across the region with hubs around Inverness and the Western Isles where Gaelic Media, culture and Harris Tweed remain important employers and drivers of wealth and investment.

The health sector employs in excess of 18,000² across the five NHS Scotland health board areas which cover the region.

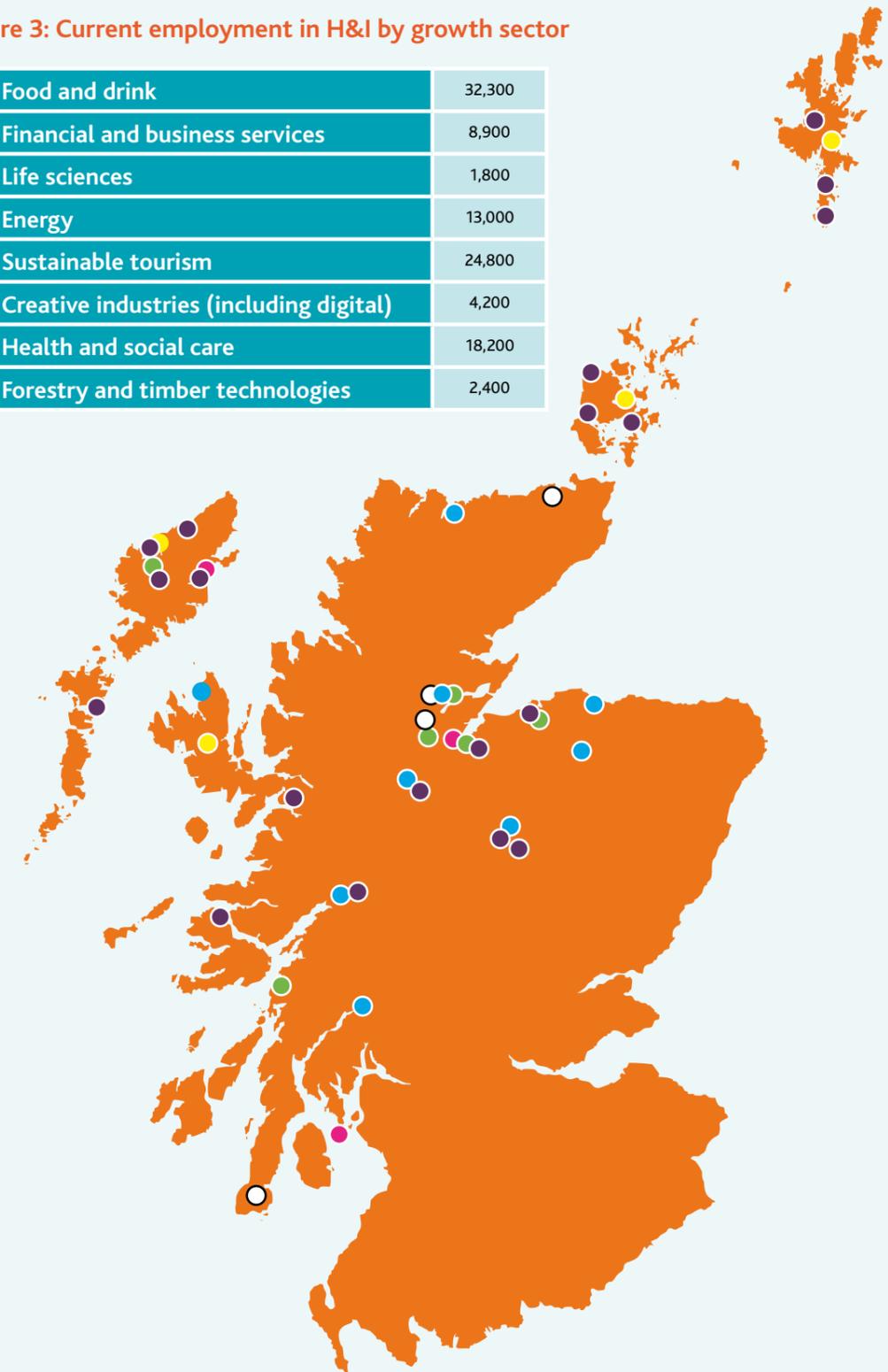
This is dominated by NHS Highland (who also provide adult social care services) and NHS Ayrshire and Arran who each account for approximately 6% of the total NHS Scotland workforce and cumulatively almost 90% of all NHS employment in the Highlands and Islands. The ageing population and the changing composition of households will continue to be major drivers of employment in the sector with future demand expected to be concentrated in health and social care professionals with an increasing focus on delivering care closer to home, often in remote settings, supported by tele-health and tele-care services.

The forest and timber technologies (FTT) sector employs some 2,400 jobs across the region representing 12% of the 19,100 employed across Scotland. Silviculture (forest management) and other forest activities is the largest subsector with around 38% of all FTT jobs in Highlands and Islands. Our work to date has highlighted the economic importance of Forestry and Timber Technologies across the Highlands. It is an industry that has a wide representation across the whole of Scotland, but a training and development infrastructure that is fragmented and struggles to adequately support growth and replacement job demand due to rurality and the nature and composition of the workforce.

Finally, innovation and entrepreneurship are important economic drivers to the economy of the Highlands and Islands. There was an increase of 9.9% in the number of private sector enterprises in Scotland in 2012, some with high growth potential (around 6%). HIE has a substantial programme to support business start-up and entrepreneurial activity in the region. Innovation-driven enterprises (IDEs) are recognised as having the ability to pursue global market opportunities from the outset which is based on bringing to customers new innovations that have a clear competitive advantage and high growth potential.

Figure 3: Current employment in H&I by growth sector

○	Food and drink	32,300
●	Financial and business services	8,900
●	Life sciences	1,800
○	Energy	13,000
●	Sustainable tourism	24,800
●	Creative industries (including digital)	4,200
●	Health and social care	18,200
●	Forestry and timber technologies	2,400



1

Recent performance of the Highlands and Islands economy continued

These positive headline messages however mask the fact that there is an over reliance on public sector employment in most parts of the region, and in particular in the islands (Figure 4). In addition a large part of the good recent employment performance appears to be related to jobs growth in public administration, health and care. This presents both challenges in that it is unlikely to be sustained moving forward but also opportunities for people being able to transfer their skills into growing sectors.

Labour market participation

Figure 5 presents key data on the available workforce in the Highlands and Islands and its constituent local authority areas. There were 289,050 people of working age (16 – 64) living in the Highlands and Islands in March 2013. Of these 75.4% were in employment, almost 5 percentage points higher than the equivalent rate of 70.7% for Scotland as a whole.

There are considerable variations within the region on this key measure of participation. The Orkney labour market appears to be operating at almost full employment with 83.2% of the working age population in work. In Highland, Shetland and Moray the employment rate was also high at 75.4%, 76.0% and 79.1% respectively. This contrasts with Argyll & Bute and Eilean Siar, each with employment rates of 70 – 71% – much more in line with the Scottish average.

These high employment rates mask some local pockets of where employment rates are much lower – and the region also has high levels of seasonal employment, part time employment (38% v 33% nationally) and self-employment (14% v 11% nationally). Both self-employment and part-time employment are contributory factors to underemployment. Research by the Scottish Government¹ suggests that the Outer Hebrides had the highest rate of underemployment in the region in 2011, standing at 12%. Only Moray (7%) had a lower rate than the Scottish average (8%).

Nevertheless the message remains clear – people in the Highlands and Islands are more likely to be in some sort of employment than in other parts of Scotland, and in some areas notably Orkney and Moray, employment levels are getting close to what would have been termed 'full-employment' in pre-recession times.

The unemployment rate represents the proportion of the working age population, who is not in work, but want to and are available to work, and are actively seeking employment. It is a key measure of the potential labour supply within a region. The unemployment rate across the Highlands and Islands as a whole was 5.1% in March 2013, compared to a Scottish average of 8%. Again, there are wide variations within the region on this measure with unemployment ranging from just 2.6% in Shetland to 8.2% in Eilean Siar. In fact, Eilean Siar is the only local authority within the region to have an unemployment rate above the Scottish average. The data suggests that the available labour supply in the Highlands and Islands, based on the current population is more constrained than in other parts of the country. In addition the dispersed and rural geography of the region often presents barriers to labour mobility.

Economic inactivity is a measure of the proportion of the working age population who are not in employment and not seeking work. It includes full-time students that are not in employment. The economic inactivity rate in the Highlands and Islands as a whole is broadly in line with the Scottish average (19.5% relative to 21.3%). Looking within the region, Moray and Orkney stand out as having notably low economic inactivity rates at 16% and 11.8% respectively.

Figure 4: Public and private sector employment (2011)



Figure 5: Labour market participation – key indicators (2012)

Area	Working Age Population*	Employment rate	Unemployment rate	Economic Inactivity rate
Argyll and Bute	49,850	71.0%	6.1%	22.9%
Eilean Siar	16,000	70.4%	8.2%	21.4%
Highland	140,300	75.4%	4.7%	19.9%
Moray	55,750	79.1%	4.9%	16.0%
Orkney	12,900	83.2%	5.0%	11.8%
Shetland	14,250	76.0%	2.6%	21.9%
Highlands and Islands	289,050	75.4%	5.1%	20.6%
Scotland	2,608,800	70.7%	8.0%	23.1%

Note: Aged 16 – 64

1

Recent performance of the Highlands and Islands economy continued

Youth employment

There were 31,700 young people (16 – 24) living in the Highlands and Islands in March 2013. Of these, 61.1% were in employment, almost 7 percentage points higher than the equivalent rate of 54.4 % for Scotland as a whole.

The region also has a below average unemployment rate for this age group. Across Scotland as a whole, 20.5% of all young people aged 16 – 24 were unemployed and seeking work in March 2013 – the equivalent rate for Highlands and Islands was 15.6%. However, this headline figure masks wide variations within the region. Highland had the lowest youth unemployment rate at 13.1%, whilst Eilean Siar and Orkney both had rates above the Scottish average at 22.3% and 23.9% respectively. In other words, more than one in every five young people aged 16 – 24 living in these island communities were unemployed and seeking work in March 2013.

Economic inactivity amongst young people is predominantly a measure of participation in full-time education. Argyll and Bute, Eilean Siar and Shetland all had economic inactivity rates above the Scottish average for those aged 16 – 24, suggesting above average levels of participation in education.

Population, demographics and migration

The population of the Highlands and Islands is now an estimated 465,200 people, an increase of 31,750 people from the 2001 Census. The population of the Highlands and Islands increased by 7.3% between 2001 and 2011, a rate of growth outpacing that of Scotland (4.6%) and almost as high as the UK as a whole (7.5%) (Figure 7).

Highland and Orkney were two of the three fastest growing local authority areas in Scotland, with growth rates of 11.1% and 10.9% respectively. Moray (7.3%) and Shetland (5.3%) also experienced growth levels above that of Scotland (4.6%) and the Outer Hebrides experienced growth (4.5%) slightly below that of Scotland. Argyll and Bute experienced a population decline of 3.4%.

Population growth is driven by in-migration, and in spite of strong growth, the recent Census highlights that the age profile of the Highlands and Islands remains different from the rest of Scotland with significant over representation of older age groups (Figure 8). Indeed closer analysis of population change suggests that recent population migration may be reinforcing the older age profile of the region. Between 2001 and 2011:

- while the number of people of working age, 15 – 64, increased at a faster rate in the Highlands and Islands (6.7%), than in Scotland (6.0%), the proportion of the population in this age group (64.4%) was still lower than Scotland (67.1%)
- at the same time the Highlands and Islands experienced an increase of 21.3% in the number of people aged over 65 years. The share of the population in this age group increased from 16.9% in 2001 to 19.1% in 2011, considerably higher than the share of the population of this age group in Scotland (16.8%).

Figure 6: Youth employment – key indicators (March 2013)

Area	Population Aged	Employment rate	Unemployment rate	Economic Inactivity rate
Argyll and Bute	4,400	47.5%	18.4%	41.8%
Eilean Siar	2,100	52.5%	22.3%	32.4%
Highland	15,200	65.5%	13.1%	24.5%
Moray	6,700	64.3%	16.7%	22.8%
Orkney	1,700	68.5%	23.9%	*
Shetland	1,500	61.2%	*	33.1%
Highlands and Islands	31,700	61.1%	15.6%	27.6%
Scotland	409,100	54.4%	20.5%	31.6%

Note: Aged 16 – 64

Figure 7: Population 2011 and change since 2001

Area	Population 2011	Change 2001 – 11
Argyll and Bute	88,200	-3.4%
Eilean Siar	23,220	4.5%
Highland	232,100	11.0%
Moray	93,300	7.3%
Orkney	21,400	10.9%
Shetland	23,200	5.3%
Highlands and Islands	465,200	7.3%
Scotland	5,295,400	4.6%

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Recent performance of the Highlands and Islands economy continued

Overall between 2001 and 2011 there was positive net migration of almost 36,300 people into the Highlands and Islands, equivalent to around 7.8% of the population. HIE's analysisⁱⁱⁱ of 2011 Census data on in-migration however suggests significant differences between age groups, with the highest levels of in migration taking place amongst older age groups, particularly those aged over 65. Looking at net migration for the key 15 – 39 age group, positive net migration was much lower, at 2,100 people and driven largely by net out-migration of those aged in their 20's and net in-migration for those aged in their 30's. The report identified a "missing generation" of an estimated 21,700 young people aged between 15 and 39 in the Highlands and Islands compared to Scotland.

Analysis of net migration for this key group of 15 – 39 year olds (Figure 10) across local authority areas also highlighted some significant differences across the Highlands and Islands:

- Highland and Moray Council areas saw net in-migration of more than 5,200 people in the 15 – 39 age group, and were the only areas where there was positive net migration amongst 25 – 29 year olds
- Orkney was the only other local authority area to see net in-migration of 15 – 39 year olds, though this typically consisted of net out-migration for those aged between 20 – 29 and in-migration for those aged between 30 – 39
- in Eilean Siar and Shetland there was net out-migration of 15 – 39 year olds, though again this typically consisted of net out-migration for those aged between 20 – 29 and in-migration for those aged between 30 – 39
- Argyll and Bute saw the largest out-migration of 15 – 39 year olds, with out-migration from all age cohorts between 15 – 39.

Looking forward, the General Registry Office for Scotland^{iv} (GROS) has published population projections for Scotland in 2012 based on 2010 population data.

- over the period 2010 – 2035 the population across Scotland is forecast to increase by 10% (to reach a total of 5,755,477) and an increase of 7% is forecast for the Highlands and Islands region
- conversely the national working age population is forecast to decline by 1% over the same period and a decrease of 5% is predicted for the Highlands and Islands region. This raises a challenge at a time of considerable jobs growth in the region, and suggests action will be required to provide sufficient people to do the new jobs anticipated previously, regardless of the skills of the economically active population.

Figure 8: Population pyramid Highlands and Islands (block colour) and Scotland (black outline)

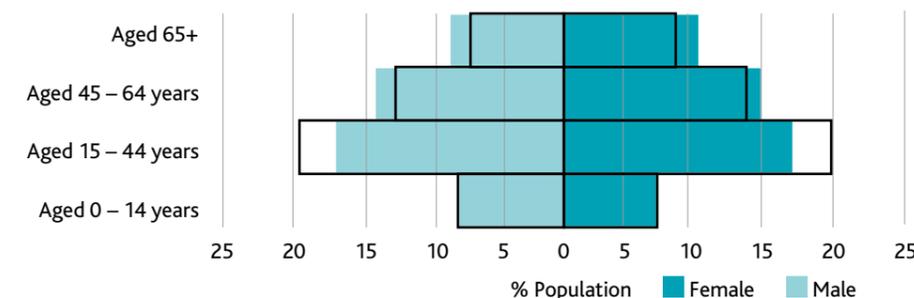


Figure 9: Net migration by age group

Age group	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	15 – 39
Highlands and Islands	52	-5,437	-178	4,057	3,528	2,112

Figure 10: Net migration by age group and local authority

Age group	Argyll and Bute	Eilean Siar	Highland	Moray	Orkney	Shetland	Highlands and Islands
15 – 19	-493	55	270	263	85	-128	52
20 – 24	-1343	-571	-2100	-741	-260	-332	-5347
25 – 29	-823	-154	772	220	-100	-93	-178
30 – 34	-213	267	2619	855	308	221	4057
35 – 39	-96	210	2783	265	202	164	3528
15 – 39	-2968	-193	4344	862	235	-168	2112

2 What do we know about the skills challenges facing employers?

A key focus of the SIP has been to identify clear and robust evidence on the skills challenges currently being faced by employers across the region. SDS and HIE commissioned a survey of employers to better understand the skills challenges facing employers now – and in the future.

An important starting point is to emphasise that for most employers, attracting appropriately skilled staff is not the most important issue facing their business (Figure 11). Increasing costs, attracting and retaining customers; access to finance; and wider economic conditions were all seen as more important challenges for businesses in the region. However looking across the growth sectors both tourism and energy businesses were more likely to identify attracting appropriately skilled staff as a major challenge facing their business at the moment.

It is also important to note that the proportion of vacancies in the Highlands and Islands as a percentage of all jobs is relatively small, as is the proportion of vacancies attributed to skills shortages (Figure 12). Need to supply UKCES figures for 2013. In both instances, however, the rate of hard to fill vacancies and skills shortages is greater in the Highlands and Islands than across the rest of Scotland.

Tourism and energy businesses reported the most difficulties in filling vacant positions. Evidence from employer surveys has shown that difficulties in recruiting and filling vacancies are mostly due to an insufficient quality and number of applicants. Businesses in the region have indicated that the main factors that impact upon applicant numbers are: location of the job, competition from other Scottish employers, lack of public transport and the level of salaries. There is some evidence that the nature of skills shortages and hard to fill vacancies in the Highlands and Islands are different from the rest of the country, with more companies facing greater difficulties in recruiting for skilled trades and for customer service staff.

The evidence from the different business surveys, from the business workshops and our consultations with HIE Account Managers suggest that there are significant variations in the scale of skills gaps and shortages across the local authority area, but that there are a number of roles or skills sets which employers find it most difficult to recruit staff for at the moment. These include:

- experienced engineering staff, particularly in marine and energy related disciplines
- qualified and experienced chefs
- technical IT skills, including programming (such as Java), network development and software engineers
- web development and marketing skills
- leadership and management capabilities
- health and social care professionals – particularly non-graduate roles.

There was also some anecdotal evidence of other skills requirements, which although smaller in scale, had the potential to have a significant impact at a local level.

Figure 11: Current challenges for H&I businesses

Greatest challenges currently facing your organisation	
Increased cost of doing business	38%
Attracting/retaining new customers	32%
Access to finance	30%
Wider economic factors	25%
Attracting appropriately skilled staff	24%
Cost of fuel	21%
Seasonality	21%

Source: HIE Online Business Survey (2013) (Base: 198)

Figure 12: Hard to fill and skills shortage vacancies (2011)

	H&I	Scotland
Hard to fill vacancies as a % of employment :	1.1%	0.7%
Skilled trades staff	3.8%	1.5%
Sales and customer service staff	1.5%	0.3%
Skill shortage vacancies as a % of employment:	0.7%	0.3%
Skilled trades staff	2.5%	1.1%
Sales and customer service staff	1.5%	0.2%

Source: UKCES (2011)

Figure 13: Future business needs

Rank	What do you require to be put in place to help you achieve your growth aspirations?	
1	Skilled workforce	46%
2	Fewer bureaucratic processes	42%
3	Easier access to finance	38%
4	Support for training, learning and development	35%
5	Support for R&D	32%

Source: HIE Online Business Survey (Base: 155)

2

What do we know about the skills challenges facing employers? continued

These included:

- creative industries – textile and Gaelic media skills
- energy – welders, turbine technicians, pipe fitters, fabricators and divers
- finance and business services – IT vendor qualifications
- food and drink – cheese makers, brewery experience, shellfish harvesting
- life sciences – chemistry skills (including geochemical scientists) and statisticians
- tourism – marine skills (specifically boat handling) and housekeeping skills
- health – specialist scientific roles specific to health care.

Whilst the region has a well established further and higher education infrastructure, the availability of training provision to respond to these skill gaps and shortages has been highlighted as a concern. Finding a suitable training provider who can deliver training to meet their needs is a significant issue for 12% of Highlands and Islands employers compared to 6% nationally. Where training provision is not available, locally accessing training often involves higher costs, particularly where trainees have to travel to access training.

A key message from the evidence assembled however is that the level of detail on employers skills needs – both now and in the future – is not as comprehensive as it could be. An important element of the plan going forward will be to develop a clear strategy for securing better evidence on skills needs across the region, and ensuring that the skills system is better informed by employer insight and intelligence. There is good work already underway through the Energy North Taskforce, and joint working between HIE and SDS on the development of SIP for Creative Industries, while the establishment of an Economic Intelligence Unit at the University of the Highlands and Islands presents an opportunity to close this gap. However the challenge will be to ensure that employers are involved fully in

articulating skills demand across all growth sectors, from highlighting the jobs that they will need to fill in the future, to supporting the design of curriculum and vocational training that meets their needs.

Future jobs growth and likely skills requirements

Through engagement with employers and a review of the evidence on current skills needs, a number of immediate skills challenges have been identified; many of which are already being addressed by actions from HIE, SDS, SFC and local partners. However the case for greater collaboration in the future is clear. The HIE Online Business Survey highlighted that securing access to an appropriately skilled workforce in the future is a key concern for companies when considering how to secure their growth aspirations (Figure 13).

The majority of business respondents (88%) in the region were optimistic about business prospects over the next 12 months. For many there were signs of recovery, as they had experienced growth over recent months and new opportunities were emerging. Just over 80% of businesses anticipated some jobs growth over the next year or two. Food and drink, and energy related businesses were most positive about growth, which is significant given that these sectors are already reporting skills and labour issues.

This optimistic picture conflicts with some of the official forecasts of employment growth. UKCES^{vi} forecasts a broadly flat employment picture over the next 5 – 6 years with the total number of jobs expected to decline in the H&I region by 1% compared to a 2% increase nationally by 2020. As with all econometric forecasts there is a degree of uncertainty associated with these estimates, and importantly they do not take into account aspirations for the region, the impact of potential inward investment, nor the scale of potential job openings. The intelligence gained from the H&I SIP development process has allowed indicative estimates of where the jobs growth might come from over the next 5 – 8 years.

Figure 14: Estimates of potential employment growth by key sectors

Sector	Current employment	Potential jobs growth 5 – 8 years	Comment	Location
Food and drink	32,300	up to 300	Mostly through expansion of existing businesses	Across Highlands and Islands
Financial and business services	8,900	up to 1,000	Mostly driven by new inward investors, and expansion of recent inward investors	Inverness & Inner Moray Firth
Life sciences	1,800	up to 1,000	Mix of inward investment and indigenous growth	Inverness / Moray / Outer Hebrides
Energy	13,000*	3,000 – 5,000	Driven by sector expansion, including inward investment in renewables and overspill from Aberdeen	Across Highlands & Islands
Sustainable tourism	24,800	up to 200	Further growth likely through new hotel openings in Moray and some expansion of existing businesses	Across Highlands and Islands
Creative industries (including digital)	4,200	up to 250	While employment growth may be limited, there will be significant self-employment opportunities.	Across Highlands and Islands

Source: SQW from HIE material

*Note:

2 What do we know about the skills challenges facing employers? continued

These estimates have been informed by a review of the potential inward investment pipeline, as well as being developed through consultation with HIE Account Managers and local authority economic development colleagues. This evidence suggests that in the next five to eight years an additional 4,500 – 7,500 jobs could be created in the region (Figure 15). These figures do not take account of the impact that replacement demand could have, through people leaving the labour market or changing careers, which could significantly increase some of these sector figures.

Growth estimates

These growth estimates suggest that:

- while jobs growth is expected to be spread across all growth sectors, the biggest job increases are expected in energy, business services, and life sciences
- a significant proportion of jobs growth is expected to take place in and around the Inverness and Inner Moray Firth, where the focus is likely to be mainly (but not exclusively) in energy, life sciences and business services
- at the same time up to half of the expected jobs growth could take place out side of the Inner Moray Firth, with energy related developments in Orkney, Shetland, Argyll, Arnish and Kishorn; and jobs growth right expected across the region in creative industries, food and drink and the tourism sectors.

Whilst sectoral Skills Investment Plans are national documents, they highlight a number of skills requirements that are likely to be needed in the Highlands and Islands as these new jobs emerge:

- the Energy SIP highlights requirements for engineers, leadership and management, project managers, technicians and welders. These occupational skills need to echo the skills requirements identified within the H&I SIP

- in the Life Sciences SIP the key skills issues identified relate to improving the lab-skills of graduates, and their awareness of the workplace; and improving awareness of the range of life sciences careers available amongst school pupils

- the Financial Services SIP highlights the need to improve the awareness of the range of careers options in the sector, improve the image of the sector as an employer, and the importance of ICT and programming skills to the future growth of the sector

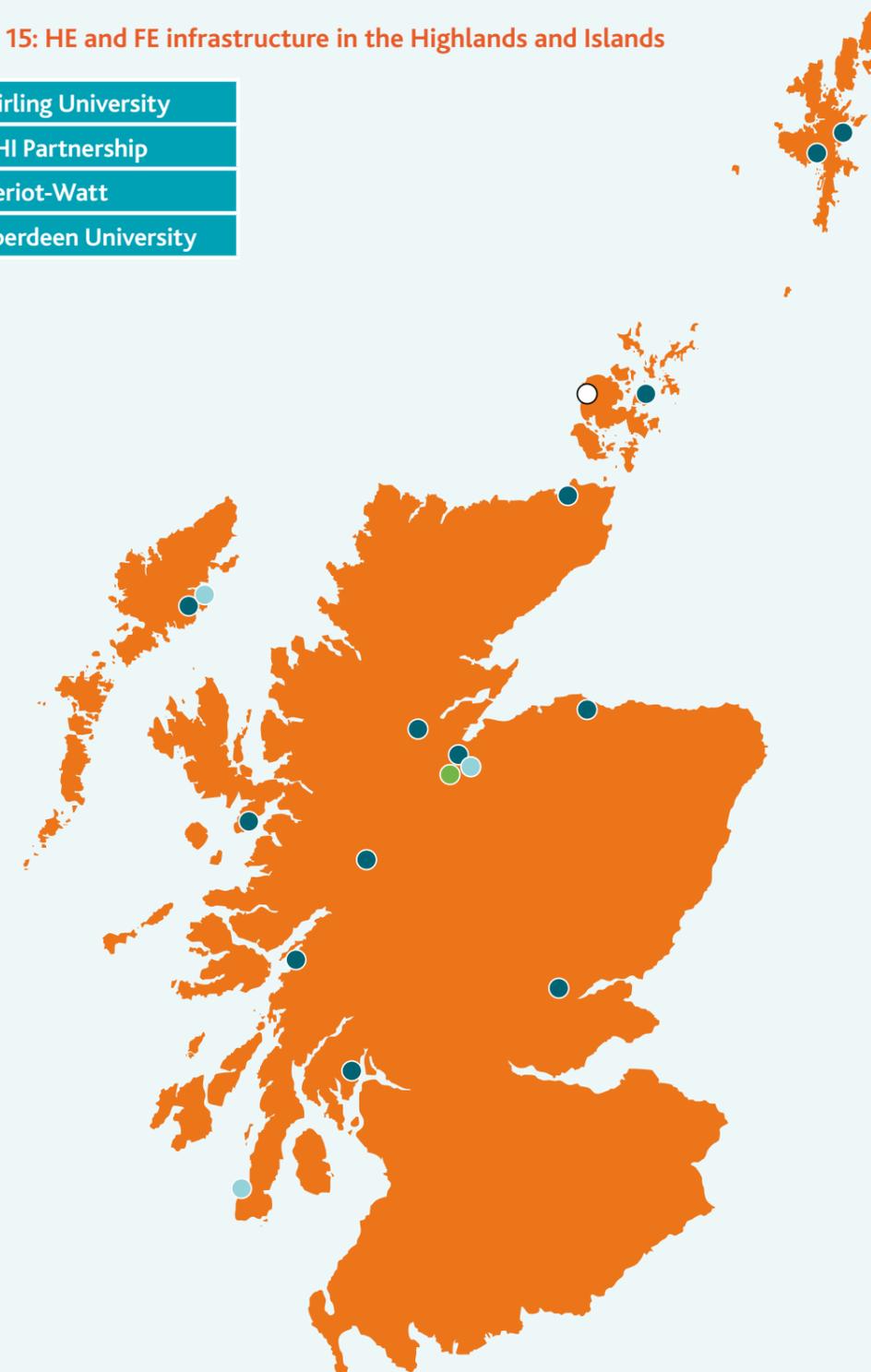
- the Food and Drink SIP highlights a need for more food scientists and a need to improve the attractiveness of the sector as an employer, particularly for entry level jobs

- the Tourism SIP emphasises the importance of establishing local skills groups to support access to training across the country; the need for more trained and experienced chefs and the need to develop the leadership and management skills of the next generation of tourism leaders.

There is also strong evidence that demand for skills in the Highlands and Islands will be driven by the roll out of super-fast broadband across the region and the continuing importance of digital technology skills as an underpinning component of all industry sectors. The national sectoral SIP for the ICT and digital technologies sector forecasts annual demand in Scotland to 2015 as 10,800^{vii}. It is estimated that approximately 10 – 15% of these job opportunities could be based in the Highlands and Islands and will be seen across all sectors but with a particular focus on business services. The ICT and Digital Technologies SIP highlights the need to increase the number of students studying ICT and computer science related subjects at all levels from school through to further education and higher education.

Figure 15: HE and FE infrastructure in the Highlands and Islands

○	Stirling University
○	UHI Partnership
○	Heriot-Watt
●	Aberdeen University



Note: UHI delivers HE through 13 further and higher education colleges, specialist colleges and research institutions, coordinated by an executive office. Collectively this comprises UHI partnership. Comprises one University, UHI, thirteen colleges Perth, Moray, Inverness, West Highland, North Highland, Shetland, Orkney, Lews Castle, SMO & Argyll plus three other institutions which are Academic partners of UHI – SAMS (Scottish Association for Marine Science) Highland Theological College, NAFC.

2 What do we know about the skills challenges facing employers? continued

There is also a need to develop short term transition training to help the sector meet its immediate skills needs.

The national Engineering SIP highlights the strong demand for experienced engineers. This demand is being driven by three factors including expansion of the sector, an ageing workforce and wage competition from the oil and gas sector. While the SIP highlighted that there have been significant increases in the supply of training over the last four years at degree, HND and MA level, there remain some challenges including the mismatch between graduate supply and the demand for experienced engineers; the need to strengthen the hand skills and work-readiness of graduates and trainees; and geographical mismatches at college level, particularly in the north-east of Scotland; and the need to broaden the talent pool by attracting and retaining more women in the sector.

One of the key issues emerging across a number of sectors where national SIPs have been completed has been the importance of teaching STEM subjects in school, and in particular in the senior phase. Of particular concern is the low uptake of STEM subjects by young women, which is having an impact on progression onto relevant degrees.

The health sector is a significant health and social care employer in the region and has an increasingly important role to play due to the impact of the ageing population. A key skills issue for health care is the increasing importance of technology in the delivery of health services. In particular the dispersed nature of the population in the Highlands and Islands requires an increased focus to be placed on the use of remote health services through a community based workforce that provides care closer to home. This creates particular skills challenges around ensuring that existing employees have access to appropriate ICT and health technology CPD opportunities. Health technology is a growth area, and as

new technology focused career opportunities emerge these need to be communicated to potential new entrants. Increasing awareness amongst young people of the wide range of health sector careers available is critical and is intrinsically linked to addressing the ageing profile of the sector. The sector also highlights an under supply of specialist scientific roles specific to health care skill-sets due to the location of teaching centres which deliver this provision being outside the region. Broadening the talent pool in this area will require a collaborative approach between the educational institutions and health care employers to ensure that a supply of placement opportunities are available to encourage graduates with these skills to work in the region.

Data on skills demand in the forest and timber technologies (FTT) sector in the Highlands and Islands is limited. However UK wide data representing forestry, wood and paper appears to show the sector is less well qualified than the economy as a whole. However, if FTT activities are to follow the overall trend of a significant increase in manufacturing this will require a significant increase in the volume of intermediate and higher skills provision. Data on skills demand in the Scottish FTT subsectors vary significantly and the recently published Skills Action Plan for the sector calls for a focus on workforce retention, up-skilling in new technologies, increasing workforce skills, retraining in other subsectors and attracting talent to the sector. The last point is mainly due to other factors, not a lack of available skills, including perception of the sector and perceived low salary levels.

The Scottish School of Forestry is part of Inverness College UHI and is based at Balloch, just outside Inverness. It is currently being redeveloped as part of a major improvement to the Inverness College estate. The Centre is part of a European-funded initiative to develop a new Masters in Wood Energy.



Skiing in Aviemore

2

What do we know about the skills challenges facing employers? continued

Entrepreneurship and innovation are also important to the prosperity of the Highlands and Islands. Innovation-driven enterprises are more likely than SMEs to be founded by a team with a diverse set of skills. In setting up and growing they generally require individuals with high levels of skills, education and training, but also, as they develop, can create significant employment opportunities. The enterprise agency focus is on "scaling up" rather than "starting up" with these businesses.

In terms of entrepreneurship and innovation Scotland's enterprise agencies are currently working with the Massachusetts Institute of Technology (MIT) on a two-year initiative entitled the Regional Entrepreneurship Acceleration Programme (REAP). It is designed to help countries accelerate economic development and job creation through identifying weaknesses in their business support systems and to develop measures to address them. A £2M Scottish Government Initiative, Encouraging Dynamic Growth Entrepreneurs (EDGE) will invest up to £50,000 in entrepreneurial businesses to stimulate economic growth.

Business Gateway also provides support to developing new, and enhancing existing skills in business start-up and growth in Scotland among SMEs. CREATE is the Highland centre for enterprise and innovation based at Inverness College. Its objective is to support students and staff with information and the skills development they need to realise their potential through enterprise. It delivers a range of flexible programmes, courses, workshops and competitions and uses extensive education and real life business experience to inform, involve and inspire learners of all ages and abilities.



Sophie Turner of Orkney Council

3 Education and training provision in the Highlands and Islands

A key ambition for the Highlands and Islands SIP is to ensure that education and training provision in the Highlands and Islands reflects economic and employment opportunities now and in the future.

The partners carried out a thorough review of existing patterns of education and training provision further and higher education and vocational training.

Further and higher education infrastructure

The location of the further and higher education^{viii} institutions in the Highlands and Islands are shown in Figure 16. All colleges in the region are part of the University of the Highlands & Islands^{ix} (UHI). UHI is Scotland's newest university, receiving full university status in 2011, and operates a model unique in Scotland, working with and through a distinctive partnership of 13 colleges and research institutions.

The structure of UHI means that people studying at colleges in the Highlands & Islands at SCQF level 7 and above (first-year degree/Higher National Certificate or equivalent) are students of the University of the Highlands & Islands. Individuals studying at levels below this are students of their individual college. Each institution has its own character and contributes to the distinctive organisation that is the UHI. Some are relatively large colleges in the population centres of the region such as Perth^x, Elgin and Inverness. Others are smaller institutions, including some whose primary focus is on research.

Higher education

Of the higher education learners who stay in the region, the majority (64%) are students of UHI. The history and structure of UHI means that, at present, the majority of students (55%) are studying sub-degree level provision, i.e. Higher National Certificates and Higher National Diplomas (Figure 16). The structure of many UHI degrees, where the first and second years are delivered as Higher National qualifications with students progressing to degree study in the second year (from HNC) or third year (from HND), means that a significant proportion of the students currently classified as studying sub-degree provision are doing so as part of programme leading to an ordinary or honours degree.

This structure and history also mean that the UHI's student body is distinctive as it has tended to be considerably older and more likely to be studying part-time than in the majority of other Scottish universities (Figures 17 and 18). Only 42.5% of students studying degree level subjects at UHI were aged between 18 – 24 in 2011 compared to an average for other Scottish Universities of 75.2%. By contrast 54.9% of students studying degree level subjects at UHI were aged over 25, compared to a Scottish average of 20.3%. However this profile is showing signs of change, since the achievement of university status for UHI in 2011. Provisional data for 2013 / 14 shows that around 60% of UHI students are now full-time (compared to 51.5% in 2011) and 52% of students are under 25 years of age (compared to 42.5% in 2011).

Figure 16: HE provision by level of study

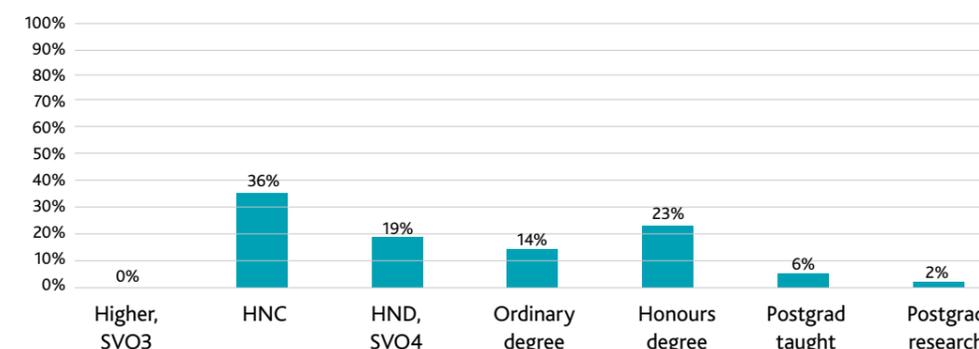
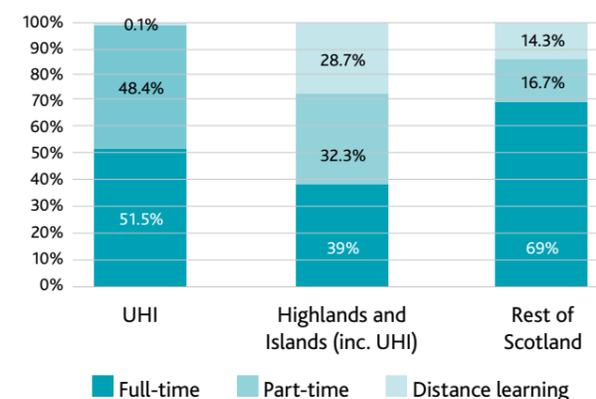


Figure 17: HE Provision by age of student

Age band	First degree students only		Total student cohort	
	UHI	Rest of Scotland	UHI	Rest of Scotland
17 and under	2.7%	4.4%	6.6%	3.4%
18 – 24	42.5%	75.2%	37.9%	57.1%
25 – 59	52.4%	19.9%	53.0%	37.7%
greater than 60	2.4%	0.4%	2.5%	1.9%

Figure 18: HE provision by mode of study



3

Education and training provision in the Highlands and Islands continued

Figure 19 shows that the two largest subject groupings of HE subjects in the Highlands & Islands are social studies (1,146 students) and business and administrative studies (1,124 students), followed by engineering (754 students), mathematical and computer sciences (509 students) and veterinary sciences, agriculture and related subjects (364 students). The curriculum and research of UHI and its constituent colleges also reflects the terrestrial and marine environment with important specialism's including: adventure tourism management; golf management; marine science; sustainable rural development; engineering with renewable energy; and Gaelic.

While UHI does offer significant provision in the subjects of business, engineering and IT which aligns with growth sectors, there is less explicit provision to meet the needs of other growth sectors at HE level. The Scottish Funding Council's allocation of an additional 2,500 FTE places to the University of the Highlands & Islands over a four year period from 2012 / 13 allowed the university to further align the curriculum mix on offer in the Highlands & Islands more closely with current and emerging employers need, and with the expectations of young people.

Three other higher education providers also operate in the region. The largest of these is the Open University, which provides for approximately 25% of total activity. Stirling University, which runs nursing provision in Inverness and Stirling, accounts for approximately 6% of the total, and Heriot-Watt University with a campus on Orkney, accounts for a further 1%.

Graduates and employment

In 2011 / 12, there were 2,300 people who received a higher education qualification from a HEI in the Highlands & Islands. The vast majority, 88%, of these graduates (2,035) had studied at the UHI. Of the 2,300 total, around 32% received first degrees and just over 5% received postgraduate (taught or research) degrees. The remaining 63% of students graduated with an 'other undergraduate' qualification, i.e. an HNC/D level qualification, which reflects the data shown (in Figure 16) on page 31.

Data on graduate destinations in 2010 – 11, highlighted that the percentage of first-degree graduates from UHI progressing to employment was lower than across the rest of Scotland. In addition to the students graduating with a first degree from UHI who progressed to full-time, part-time or voluntary/unpaid work, 52% had a non-graduate occupation compared with 33% nationally (Figure 20). This is reflective of the number of graduate level opportunities which are available in the region.

Excluding those graduates whose employment status is unknown^{xv}, 550 (79%) of all UHI graduates in 2010 / 11 were employed in the Highlands and Islands, with 15% employed elsewhere in Scotland. Meanwhile, 786 (2%) graduates from the rest of Scotland gained employment in the Highlands & Islands.

Figure 19: HE provision by subject grouping

Subject grouping	No. of students
Social studies	1,146
Business and Administrative studies	1,124
Engineering	754
Mathematical and Computer Sciences	509
Veterinary Sciences, Agriculture and related subjects	364

Source: SFC

Figure 20: Occupation of first degree graduates from UHI and Scotland

	Modern graduate occupation ^{xi}	New graduate occupation ^{xii}	Niche graduate occupation ^{xiii}	Non-graduate occupation	Traditional graduate occupation ^{xiv}
UHI	10%	9%	21%	52%	7%
Rest of Scotland	15%	15%	25%	33%	13%

Source: HESA from SFC

Note: UHI percentages based on population of 163 graduates, Rest of Scotland percentages based on population of 13,998

3

Education and training provision in the Highlands and Islands continued

The 'H&I-Grads' programme, established by HIE but subsequently amalgamated into the Talent Scotland programme, provides work placements for recent graduates in businesses across Scotland. HIE directly manage the Talent Scotland programme in the region. Approximately 140^{vi} placements are ongoing or have been completed (2010 – 2013). From these 75% have either been kept on by the business or found graduate employment in the region.

The contribution of higher education choice to migration
One of the key issues set out in the analysis of population and raised in the business consultations has been the impact of the continuing out-migration of young people aged 15 – 39 years from the region, and in particular those aged between 19 – 29. There was recognition that a certain degree of out-migration for work and study would continue to happen, and indeed this has many personal and other benefits for individuals.

While a range of factors will have influenced the decision to leave the region, a prime reason cited through the consultations has been the limited local higher education offer. Prior to the establishment of the University of the Highlands and Islands as a higher education Institution in 2011 individuals who wanted to pursue degree-level education either had to leave the region, or study through the Open University (and indeed this is still the case for many HE subjects). Even now in 2011 / 12 8,272 young people from the region were studying elsewhere in Scotland and a further 1,117 were studying elsewhere in the UK. By contrast only 1,375 students from outside H&I came to study within the region which cumulatively resulted in a net loss of 8,000 young people from the region.

In terms of where young people who leave the Highlands and Islands go to study, the largest share of these learners goes to Aberdeen's Robert Gordon University (17%) and the University of Aberdeen (15%). Following Aberdeen, the most popular destinations were universities in Edinburgh and Glasgow. The most common subject areas were subjects allied to medicine (16%), business and administrative studies (10%), education (10%), biological sciences (10%) and engineering (9%). All of these subject areas are now available at UHI, although specific course content differs between institutions.

Research commissioned by HIE^{vii} in 2008 found that 'the decision to undertake further or higher education has over time been the most significant single factor leading to out migration of young people.' HIE's research into the reasons for young people leaving identified a group of 'reluctant leavers', defined as 'individuals who currently live in the region and would prefer to stay, have a strong affinity with the region, but feel they may need to leave to realise their potential'.

The development of Inverness Campus will be one of the most significant developments to be seen over the next 20 years and will play a key role in stemming and indeed reversing this flow of talented young people out of the region. The Campus will be a place where academic and commercial research come together to work in partnership with learning and entrepreneurship. The Campus will support Inverness City to position itself as a first choice destination to live, work, study and invest. To complement this other Campus/ University Town developments are underway and include Stromness Renewable Campus in Orkney and Oban and partners will use these educationally focused opportunities to build collective student attractive objectives which will support the growth of the total student population in the Highlands and Islands.

Figure 21: Age composition of further education students in the Highlands and Islands compared with Scotland by headcount and WSUMS (2011 / 12)

Headcount	17 years and under	18 to 24 years old	25 to 59 years old	greater than 60 years	Total
Highlands and Islands Total	27%	19%	47%	7%	100%
Rest of Scotland Total	28%	27%	40%	4%	100%

Activity (WSUMS)	17 years and under	18 to 24 years old	25 to 59 years old	greater than 60 years	Total
Highlands and Islands Total	37%	37%	25%	2%	100%
Rest of Scotland Total	30%	43%	26%	1%	100%

Source: SFC

Figure 22: FE provision by subject grouping (SUMs)

Subject	SUMs
Engineering	13,355
Care	12,580
Hairdressing, Beauty and Complementary Therapies	10,760
Special Programmes	10,400
Construction	10,210

Source: SFC

3

Education and training provision in the Highlands and Islands continued

Further education

All colleges in the region are Academic Partners of the UH and twelve of these colleges^{xviii} offer further education provision^{xix}. In the academic session 2011 / 12 there were 19,686 individual students studying further education at colleges in the Highlands and Islands. These students accounted for 10% of all further education students in Scotland.

The age composition of the students at college in the Highlands and Islands differed significantly from age 18 onwards compared to the rest of Scotland, with a low number of 18 – 24 year olds offset by a higher number of older learners (Figure 21 on page 35). However, when looked at in terms of student activity (measured in WSUMs) the region has more activity in the under 17 age group than Scotland as a whole (37% vs. 30%); less in the 18 – 24 (37% vs. 43%); and both have 27% aged over 25. Together this would suggest that young learners in the Highlands are doing more units on average than elsewhere; and conversely that older learners are doing fewer units.

Across the Highlands and Islands, and similarly across Scotland, the most popular mode of further education attendance was though part-time courses, however the percentage of students studying via this mode was higher in the Highlands and Islands at 59% compared to a figure of 47% for the rest of Scotland. Conversely, only 15% of students in the Highlands and Islands were full-time compared to 25% in the rest of Scotland.

The top five most commonly taught subjects in the region are engineering, care, hair and beauty, special programmes and construction, which have some links to the key sectors but do not map precisely. Colleges base their provision on student and employer demand and these links will be made explicit in the Regional Statement of Need which the colleges will develop for the regional outcome agreement for further and higher education.

SDS investment: Modern Apprenticeships

In 2012 / 13 there were 2,285 Modern Apprenticeship (MA) starts in the Highlands and Islands with the region accounting for 9% of all MA starts across Scotland. Just over half of all MA starts (53.8%) were in the Highland Council area and just under a fifth (19.8%) in Moray (Figure 23). The share of MA's across each of the local authority areas was broadly in line with the local areas share of the population.

Figure 24 shows the top 7 MA frameworks in the Highlands and Islands by starts for 2012 / 13. Between them these 7 frameworks accounted for just over half of all MA starts in the Highlands and Islands last year. The largest number of starts were in tourism and hospitality (297 starts) followed by engineering (197), food manufacture (149) and retail (146). There were also significant numbers of MA starts in health and social care (137), construction and craft operations (121) and business and administration (114). This profile of MA starts has strong alignment with two of the largest employing key sectors in the Highlands and Islands, tourism and food and drink, as well as with engineering.

Figure 25 presents the top three MA frameworks by starts for each of the local authority areas. The table shows significant variations in the most popular MA frameworks and a degree of alignment with local employment needs in each area.

Figure 23: FE provision by local authority

Local Authority	Starts	%
Argyll & Bute	296	13.0
Outer Hebrides	93	4.1
Highland	1,229	53.8
Moray	452	19.8
Orkney Islands	92	4.0
Shetland Islands	123	5.4
Total	2,285	100

Figure 24: Largest H&I Modern Apprenticeships frameworks by starts 2012/13

MA Framework	Total no of starts	% of Total H&I starts
Hospitality	297	13.0
Engineering	197	8.6
Food Manufacture	149	6.5
Retail	146	6.4
Health Social Care	137	6.0
Construction Craft Operations	121	5.3
Business & Administration	114	5.0

3

Education and training provision in the Highlands and Islands continued

SDS investment: Other vocational training

Data on other vocational training programmes delivered by SDS shows that uptake of these programmes across the Highlands and Islands is in line with, or above Scottish averages:

- the number of starts on Get Ready for Work (GRFW) and Training for Work (TfW) programmes in the Highlands and Islands accounted for 9% and 8% of the Scottish total respectively. The achievement^{xx} rates for MAs, GRFW and TfW were broadly similar in the Highlands and Islands with the rate across Scotland
- over the period April 2012 to December 2012, 21% (14) individuals who started a post funded through the Employer Recruitment Incentive did so in the Highlands and Islands. Additionally 10% of student places on the College Learning Programme (CLP) occurred in the Highlands and Islands whilst 16% of the Community Fund was spent in the Highlands and Islands
- the number of people benefiting from Flexible Training Opportunities in the Highlands and Islands has increased from 50 in April 2010 – March 2011 to 411 in April 2012 – January 2013. The majority of those benefiting were in the Highland Council area (56%). All six local authorities businesses engaged with the programme.

School leaver destinations

School leaver destinations from the Highlands and Islands show greater variation from regional trends (Figure 26). Young people in the region are more likely to enter employment, but the numbers entering FE and HE appears low. This difference may reflect the availability or perception of local HE and FE opportunities and the less frequent progression to any form of learning may be reinforcing the relatively low skills base of the region. It also suggests an important role for Modern Apprenticeships, where uptake has been good with the region accounting for 9% of all MA starts.

Figure 25: Highest Modern Apprenticeships Frameworks by no of Starts, Local Authorities 2012 – 13

Local Authority	Top 3 Frameworks by LA
Argyll & Bute	Hospitality Health & Social Care Construction Craft Operations, and Automotive
Outer Hebrides	Business & Administration Health & Social Care Construction Craft Operations
Highland	Hospitality Engineering Retail
Moray	Food Manufacture Health & Social Care Retail
Orkney Islands	Food Manufacture Health & Social Care Construction Craft Operations
Shetland Islands	Aquaculture Retail Construction Craft Operations

Figure 26: Positive destinations of school leavers, 2011 – 12 (by follow-up destination March 2013)

Area	% progressing to...				
	Positive destination	Higher education	Further education	Training	Employment
Argyll & Bute	91%	38%	19%	3%	30%
Eilean Siar	94%	34%	18%	7%	34%
Highland	92%	33%	20%	3%	33%
Moray	88%	32%	22%	3%	30%
Orkney Islands	95%	36%	19%	0%	36%
Shetland Islands	93%	29%	19%	0%	39%
Highlands and Islands	92%	34%	20%	3%	34%
Scotland	90%	36%	25%	4%	24%

Source: Education Analytical Services – Scottish Government

4

A framework for action

In developing the SIP national and local partners have agreed a set of five key themes that should provide a framework to guide regional action in support of the challenges identified in the development of H&I SIP.

The five key themes:

- meeting the current skills needs of employers
- planning for the future
- a region for young people
- people attraction and place attractiveness
- strengthening the employer voice in the skills system.

In the following pages we set out a summary of the key evidence for each of these themes and a set of regional actions, which have been tested and validated with local partners, and the COHI Short Life Working Group. While these actions represent a coherent response to the challenges and opportunities identified in this document, they should not be viewed as an exclusive set of actions. Over time we expect the action plan to develop and evolve in response to emerging opportunities and circumstances.



Monica McGeachie, Professional Diving Academy, Dunoon

4

A framework for action continued

Theme 1: Meeting the current skills needs of employers

Key Issues for Theme 1

The key evidence from the H&I SIP highlights that:

- for most employers skills is not the number one issue currently facing their business – other factors are more important
- while the absolute scale of hard to fill vacancies is small as a proportion of all jobs, there was clear evidence of employers finding it hard to recruit for a number of roles including:
 - experienced engineering staff
 - qualified and experienced chefs
 - technical IT skills, including programming, network development and software engineers
 - web development and marketing skills
 - leadership and management capabilities
 - health and social care professionals.
- there are significant challenges and barriers around the availability of training at a local level and the costs of accessing training particularly in rural and remote areas.

Regional actions for Theme 1

The CoHI Short Life Working Group has identified a number of regional actions that will be delivered over the next two years (as displayed opposite).

Regional actions	Lead partners	Timescales
<p>Increasing the uptake of MAs in the Highlands and Islands</p> <p>Delivering 2,500 Modern Apprenticeships in the Highlands and Islands, targeting additional growth at key sectors where there is evidence of local demand.</p> <p>Developing and delivering enhanced work based learning pathways through the provision of both foundation apprenticeships in the senior phase of secondary school and advanced apprenticeships leading to higher level skills and qualifications.</p>	<p>SDS</p> <p>SDS / UHI / Regional colleges</p>	<p>2014/15</p>
<p>Establishing industry led skills provision across the Highlands and Islands</p> <p>Extending the reach of the Scotland Food and Drink Skills Academy by establishing a Regional Hub at Moray College.</p> <p>Establishing a Digital Skills Programme in Inverness to meet the needs of employers through Digital Scotland Business Excellence Partnership funding.</p> <p>Continuing to support the Nigg Skills Academy.</p> <p>Explore the development of a pre-employment care academy to encourage young people and new entrants into the sector.</p>	<p>SDS / HIE / UHI / NHS</p>	<p>Autumn 2014</p>
<p>Meeting the immediate needs of employers in key sectors</p> <p>Using the Energy Skills Challenge Fund to support the provision of training to meet the needs of employers in the energy sector.</p> <p>Establishing Overhead Linesman Training provision at Inverness College, through the Energy Skills Partnership.</p> <p>Establishing a Gaelic Cultural Industries Hub in Stornoway and Inverness to support the uptake of the SDS National Training Programmes offer from micro-businesses.</p> <p>Continuing to support the National Union of Journalists Scotland Digital journalism project to support and develop new level 3 MAs for Gaelic and non-Gaelic press titles and broadcasters.</p> <p>Piloting a shared apprenticeship model for rural tourism businesses in Moray; and working through established Local Tourism Skills Partnerships (e.g. Outer Hebrides Tourism Partnership) to meet the specific skills needs of employers.</p>	<p>SDS / Regional colleges / Training Providers</p>	<p>Summer 2014</p>
<p>Using the Single Highlands and Islands Regional Outcome Agreement to support growth sectors</p> <p>Allocating an additional 1,300 HE places in the Highlands and Islands over the next 2 years targeted at growth sectors.</p>	<p>SFC / UHI / FE Regional Board</p>	<p>Ongoing</p>
<p>Career pathways</p> <p>Within a career pathway approach, work with partners to establish work-based learning opportunities within the senior phase and to develop higher level apprenticeships to meet industry needs.</p>	<p>SDS / UHI / LAs</p>	<p>Autumn 2014</p>
<p>Skills provision for professional chefs</p> <p>Establishing new provision on professional cookery in Portree, offering these skills at FE level for the first time in Skye.</p>	<p>SFC / UHI / FE Regional Board</p>	<p>Autumn 2014</p>

Table continued from previous page

Regional actions	Lead partners	Timescales
<p>Forestry</p> <p>The Scottish School of Forestry based within Inverness College UHI will undertake a commission working with partners and stakeholders across the Highlands and Islands and the National Forestry and Timber Technologies Industry Leadership Group to review employment and skill priorities and develop a comprehensive response. The work programme will:</p> <ul style="list-style-type: none"> • improve awareness of the sector as a career and improve routes into employment in the Sector • develop programmes to improve the availability and productivity of the future workforce • improve the responsiveness of the Skill Supply System, particularly for rural areas • prepare a progressive work programme taking account of environmental and market conditions • identify and support measures to improve diversity within the workforce. <p>This will be an exciting development and build on the Scottish School of Forestry's international reputation as a centre of excellence in learning and industry engagement within the Sector.</p>	<p>UHI / SDS / SFC</p>	<p>Autumn 2014</p>
<p>Entrepreneurship</p> <p>Work with regional and national partners to agree the composite set of entrepreneurial skills required for scaling up Innovation-driven Enterprises (IDE) across providers of executive education for entrepreneurs in Highlands and Islands.</p> <p>Introduce a new programme to encourage experienced mid-career managers to return to Highlands and Islands and bring with them new skills and economic value.</p> <p>Develop a clear, interactive map of the entrepreneurial skills development opportunities available in the Highlands and Islands. This should be user friendly, widely communicated and easily accessible for entrepreneurs at each stage of their personal and business development.</p> <p>Contribute to the development of a coherent, world class programme of training in Scotland for entrepreneurs, drawing on industry experience and international best practice.</p>	<p>HIE</p>	<p>Ongoing</p>



Jordan Conti of Diageo in Moray

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A framework for action continued

Theme 2: Planning for the future

Key Issues for Theme 2

The work on the H&I SIP has highlighted a number of key issues:

- accessing an appropriately skilled workforce is a key concern for employers when looking to the future
- 80% of employers in the HIE Business Panel expected some jobs growth in the next 2 years
- indicative estimates suggest up to 7,500 new jobs could come from the 6 key sectors over the next 8 years
- this jobs growth is expected to be focussed in life sciences, energy, financial and business services, and food and drink, and in absolute terms around half of this growth is expected to take place in the Inner Moray Firth
- at the same time, inward investment and jobs growth is also expected right across the Highlands and Islands and it has the potential to be more disruptive (in a positive fashion) in locations outside Inverness and the Inner Moray Firth
- looking across the estimates of how the Highlands and Islands economy has developed (and is expected to grow) there is likely to be an increased demand for STEM skills
- rebalancing the skills system towards future demand is challenging and often uncertain, but is certainly going to be a medium to long term process and will need to be based on good intelligence from national and local partners.

Regional actions for Theme 2

The CoHI Short Life Working Group has identified a number of regional actions that will be delivered over the next two years (as displayed opposite).

Regional actions	Lead partners	Timescales
Future skills Research across key sectors Establish a rolling programme of sector investigations to support a better understanding of employers needs for skills across all sectors of the Highlands and Islands economy. This will include life sciences, tourism, food and drink, energy, ICT, business services, care, fisheries and forestry. Early work being delivered in 2014 includes:	SDS / HIE	Autumn 2014
Business Services Skills Assessment Research undertaken with employers to establish a clear agreed evidence base on the future needs of the business services sector in the Highlands and Islands which will help inform the pattern of regional training provision.	SDS / CITB	Winter 2014
Construction provision research Working with the CITB to map existing construction training provision in the north of Scotland and explore the potential for expanding the delivery of specialist / niche training provision across the Highlands and Islands.		
Using the Single Highlands and Islands Regional Outcome Agreement Use the Single Highlands and Islands Regional Outcome Agreement to align provision with employer demand, using the evidence base from the H&I SIP.	SFC / UHI / FE Regional Board	Ongoing
Highlands and Islands Science Skills Academy Establish a Science Skills Academy for the Highlands and Islands to ensure that young people in the region are aware of the economic opportunities, and are able to make the transition into employment in the areas of science, technology, engineering and maths. The academy will be initially located in Inverness but with the ability to offer out reach across the region. Key actions in the development of the academy are: <ul style="list-style-type: none"> • establish an interim leadership group and interim project team to lead the creation of the Highland and Islands Science Academy • commission the development of a 3 year business plan (2015 – 18) to enable funding to be secured • commission/create online resources to broaden and deepen the understanding of STEM in the HI region. 	SDS / UHI / Highland Council / HIE	Autumn 2014
Inward investment Continuing to develop tailored responses to support specific investment inward investment and growth opportunities.	SDS / HIE	Autumn 2014
Healthcare skills partnership Establishing a strategic education, industry and public sector skills partnership for health and social care to inform and guide skills decisions.	NHS / UHI	Autumn 2014

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A framework for action continued

Theme 3: A region for young people

Key issues for Theme 3

The H&I SIP has identified a number of key issues:

- young people (16 – 24) in the Highlands and Islands are more likely to progress into work than across the rest of Scotland
- nevertheless the impact of the continuing out-migration of young people aged 15 – 39 years from the region continues to have detrimental effects on the availability of people
- while a range of factors will have influenced the decision to leave the region, this has been seen, in a large part as a reflection of a limited local higher education offer
- the scale of the economic opportunity and the establishment of UHI as a university presents an opportunity to slow out-migration and close the gap in terms of the missing generation of 21,000 young people
- increased alignment between provision at UHI with the needs of local employers also provides an opportunity to attract an increased number of young people into the region
- at the same time it is unrealistic and unhelpful to expect to halt the out-flow of young people from the Highlands and Islands to study.

Regional actions for Theme 3

The CoHI Short Life Working Group identified a number of regional actions that will be delivered over the next two years (as displayed opposite).

Regional actions	Lead partners	Timescales
Careers Information Advice and Guidance Intensify the promotion of career routes and learning pathways to align with emerging job opportunities using Career Management Skills and the effective deployment of My World of Work in all H&I schools.	SDS	Ongoing
Commission for Developing Scotland's Young Workforce Through partnership working within the policy response of the Scottish Government deliver on the opportunities presented by the Commission for Developing Scotland's Young Workforce report to improve employment opportunities for young people. A key aspect of this will involve leveraging funding from ESF and working with UHI, regional colleges, local authorities, SDS and employers in the Highland and Islands to develop and deliver enhanced work based learning pathways through the provision of both foundation apprenticeships in the senior phase of secondary school and advanced apprenticeships leading to higher level skills and qualification.	SDS, SFC, LAs, UHI, HIE	
Energy Future Workforce programme Deliver an Energy Future Workforce programme across Highlands and Islands schools, through Energy North, to accelerate career learning around the engineering and energy sectors for young people and teachers. Key elements of this programme will include: <ul style="list-style-type: none"> • undertake a survey of S1 – S6 pupils on careers perceptions of careers in the energy and engineering sectors • development of targeted materials to promote the benefits of working in the energy industry • establishing a work placement programme for pupils through Energy North members. 	SDS / Energy North	Autumn / Winter 2014
Apps for Good Recruit 10 – 15 schools across the Highlands and Islands in academic year 2014/15 to participate in Apps for Good. The programme builds the capacity of teachers to develop technology and entrepreneurship skills with young people aged 11 – 18.	HIE / LA's / SDS / UHI	By Spring 2015
GoNorth: Digital skills for young people Develop careers awareness and technology skills in young people through the existing GoNorth event. Young people in schools, colleges and those not in work will be targeted about the range of career and study opportunities in the ICT and digital technologies sector.	HIE / SDS / UHI	Summer 2014
STEMNET teacher / pupil events in life sciences Deliver teacher and pupil events in the Highlands and Islands and Moray schools aimed at promoting the range of careers in the life sciences sector. A key feature will be using industry ambassadors.	SDS / STEMNET	Spring 2015
Certificate of Work Readiness Expansion of the Certificate of Work Readiness in Highlands and Islands with local employers, initially through Ironworks in Inverness.	SDS / HIE	Summer 2014
ScotGrad Connect graduates from within the Highlands and Islands and those from outside of the region to employment opportunities with Highlands and Islands employers by using ScotGrad.	HIE	Ongoing
Using the Single Highlands and Islands Regional Outcome Agreement Increase the pool of available talent by ensuring an attractive range of vocational, further and higher education options to encourage young people to remain in the region.	SFC / UHI	Ongoing
Young People in the Highlands and Islands Research Commission Young People in the Highlands and Islands research to update figures on the out-migration of young people and explore the aspirations of young people to ensure we better understand the situation and inform policy interventions.	HIE	Spring 2015

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A framework for action continued

Key Theme 4: Attracting people to the region

Key Issues for Theme 4

The work on the H&I SIP has highlighted that while action on skills is important, this must be matched by action to attract people to the Highlands and Islands because:

- employment rates are already high and in some areas and there may be limited labour supply to meet expected jobs growth
- while population has been increasing in the main it has been in older age groups
- evidence on the availability of the future workforce and migration, suggests that if recent population trends continue, there is likely to be a limited amount of younger working age people (15 – 39) in some local areas to meet the jobs growth envisaged
- a significant proportion of the anticipated jobs growth is expected to come from inward investment and be concentrated in the Inner Moray Firth. While unemployment here is relatively low, the size of the population in the travel to work area provides some degree of flexibility and opportunity. There's also strong evidence of recent in migration of over 30s
- the jobs growth generated outwith the Inner Moray Firth has a greater potential to cause significant (positive) disruption to local and smaller labour markets. The last 10 years have seen net out migration of the key 15 – 39 age groups and some falling population
- if collective ambitions for the Highlands and Islands are to be achieved, the evidence suggests that action to address skills issues must be matched by an ambitious strategy for attracting and retaining working age people to and in the Highlands and Islands

- this will involve action beyond skills – to address a wider range of place attractiveness attributes including integrated rail / road and air links; supporting the availability of new housing and supporting the roll out of super-fast broadband across the region. Super-fast or Next Generation broadband (NGB) will aid the sustainability and growth of fragile communities, not least by improving remote delivery of public services. It will also enable new forms of remote working, remote education opportunities and lifestyle choice in rural communities.

Regional actions for Theme 4

The CoHI Short Life Working Group has identified a number of regional actions that will be delivered over the next two years (as displayed opposite).

Regional actions	Lead partners	Timescales
Regional and local marketing campaigns Deliver a high profile regional and local marketing campaign to actively promote the Highlands and islands as a place to live and work to target key target groups: focussing on young families and 20 – 45 year olds.	HIE / Local Authorities	Ongoing
Establishing campus / student lifestyle experiences Develop a programme of student lifestyle experiences with local businesses focussed on social activity e.g. student discounts, student nights, events calendar. Secure social facilities for the campus – sport, residences, cafes etc. Develop a briefing pack for current students to inform them of academic and non-academic facilities including transport and accommodation. Develop a targeted promotional strategy to drive student engagement within and out with the HI region, in particular in Central Scotland. This will include: <ul style="list-style-type: none"> • development of a HI/Campus PR campaign to run through national media channels • increased use of social media and development of a student-focussed digital communication campaign • deliver a HIE-led marketing campaign to highlight to key influencers (parents and teachers) the campus offering • develop a programme of local engagement with schools to raise awareness of the campus offering. 	UHI /HIE	
'Talent Highlands and Islands' Develop targeted talent attraction strategies for growth sectors and occupations using the Talent Scotland model.	HIE / LAs/ SDS	Ongoing
Roll out of Superfast Broadband Support businesses and communities through the effective deployment of high speed digital connectivity which is an essential part of Scotland's 21st Century infrastructure as an enabler of both economic and community benefits.	HIE	Ongoing

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A framework for action continued

Key Themes 5: Strengthening the employer voice in the skills system

Key Issues for Theme 5

The work on the H&I SIP has highlighted a need to better engage employers in the design and delivery of the skills system at a number of levels including:

- identifying employer skills demand
- connecting employers with the agencies who invest in skills
- developing clear mechanisms to develop employer informed curriculum development
- providing meaningful work experience
- engaging businesses with career promotion activity in schools.

Regional actions for Theme 5

The CoHI Short Life Working Group has identified a number of regional actions that will be delivered over the next two years (as displayed opposite).

Regional actions	Lead partners	Timescales
<p>Ongoing programme of sectoral research and strengthening of evidence base to inform curriculum development and future investment in skills</p> <p>Business Services Skills Assessment.</p> <p>Construction Training Provision Research.</p> <p>Integration of Highlands and Islands with Regional Skills Assessments for Lowland Scotland.</p>	SDS	Ongoing
<p>Regional employer panels</p> <p>Ensure that Highlands and Islands businesses are represented on ILG Skills Groups and where appropriate support and establish local and regional employer panels (e.g. Outer Hebrides Tourism Group, Energy North).</p>	SDS / HIE	Ongoing
<p>Employer engagement in learning</p> <p>Work with employers and those involved in learning (Local Authorities, UHI and other training providers) to increase employer engagement from the senior phase through to higher education / professional learning (e.g. Chartership) . A key feature is to deliver meaningful work-based learning informed by local and regional employers.</p>	SDS / LA's / UHI	Ongoing

5 Implementing the Plan

The majority of the actions that are contained within this plan will be met through the targeting and refocusing of existing financial resources and activity.

At the same time the production of the H&I SIP has provided a focus for securing additional financial resources for implementation, through for example the Digital Skills Business Excellence Partnership and the Energy Skills Challenge Fund.

The implementation of the H&I SIP however will require a co-ordinated approach across all the partners who have been involved in the development of the Plan – SDS, HIE, SFC, UHI, Regional colleges, Local Authorities and the NHS. To support this it is proposed that a Programme Board is created which will be drawn from the membership of the CoHI SLWG to oversee the implementation of the H&I SIP and to receive regular updates on progress from partners. This Programme Board will be supported by a full time senior Programme Manager, based in the Highlands and Islands. The Programme Boards responsibility will include:

- continuing to develop and refine the H&I SIP action plan on an ongoing basis
- develop and agree proposals for the formal launch of the H&I SIP
- regularly review overall progress of the programme and make recommendations on more effective partnership working

- ensure a long term strategic view of future skills demands and solutions, to provide the skills and capability to exploit opportunities and realise the sectors ambition
- develop a clear performance framework to monitor success.

Over the medium-long term measurements of success will include:

- more young people in the Highlands & Islands entering employment, training opportunities, further or higher education when they leave school
- more young people staying in the Highlands & Islands to undertake further and higher education and progressing into employment in the region
- fewer businesses reporting difficulty in accessing skills training
- a higher proportion of the region's graduates entering graduate jobs in the region
- businesses reporting growth through an expansion of their workforce
- growth in CPD provision for education providers through closer engagement between UHI and industry.



Offshore oil platform

Appendix 1 – References

- i. Scottish Government Growth Sector Statistics Database, available at <http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Publications/GrowthSectors/Database>
- ii. Scottish Government (2012) Local Area Labour Markets in Scotland publication
- iii. HIE (2013) The changing population in the Highlands and Islands 2001 – 2011, Analysis of Census results
- iv. GROS (2012) Projected population by Council area (2010 – based) 2010 – 2035.
- v. HIE Online Business Survey – 204 respondents
- vi. UKCES (2011) Scotland Report
- vii. Technology Insights and this includes new opportunities and replacement demand
- viii. 'Further education' means all non-advanced provision. 'Higher education' means all provision from Higher National Certificate/first-year degree level provision up to PhD (see <http://www.scqf.org.uk/content/images/misc/medframework2013.jpg> for the Scottish Credit and Qualifications Framework)
- ix. Argyll College UHI; Highland Theological College UHI; Inverness College UHI; Lews Castle College UHI; Moray College UHI; NAFC Marine Centre UHI; North Highland College UHI; Perth College UHI; Sabhal Mòr Ostaig; SAMS; Shetland College UHI; West Highland College UHI
- x. Provision at Perth College UHI has been excluded except where it is degree level and thus networked through the UHI. The geography thus excluded will be covered by a separate Regional Skills Assessment for Tayside.
- xi. The newer professions, particularly in management, IT and creative vocational areas, which graduates have been entering since educational expansion in the 1960s
- xii. Areas of employment, many in new or expanding occupations, where the route into the professional area has recently changed such that it is now via an undergraduate degree programme.
- xiii. Occupations where the majority of incumbents are not graduates, but within which there are stable or growing specialist niches which require higher education skills and knowledge
- xiv. The established professions, for which, historically, the normal route has been via an undergraduate degree programme
- xv. The employment location of 44% of UHI graduates and 28% of rest of Scotland graduates is unknown
- xvi. Information provided by HIE (July 2013)
- xvii. HIE (2008) Young People in the Highlands & Islands
- xviii. Argyll College UHI; Highland Theological College UHI; Inverness College UHI; Lews Castle College UHI; Moray College UHI; NAFC Marine Centre UHI; North Highland College UHI; Perth College UHI; Sabhal Mòr Ostaig; Shetland College UHI; West Highland College UHI
- xix. Further education provision at Perth College UHI was not considered as part of this analysis. The geography thus excluded will be covered by the Regional Skills Assessment for Tayside
- xx. MA/GRFE achievement is course completion and TFW achievement is gaining a job outcome.



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