Multi Agency and Improved Partnership Working across the JUFJ network
Scotland’s Labour Market, Now and in the Future
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Making skills work for Scotland
Overview

Scotland’s labour market

Current labour market challenges

Future opportunities, challenges and disruptors

Policy response

Resources questions, answers and discussion
Scotland’s Labour Market

Making skills work for Scotland
Against a backdrop of heightened uncertainty, Scotland’s economy has continued to grow, albeit below trend.

Productivity has grown... but Scotland’s position amongst OECD countries has remained unchanged since 2007.
Scotland’s labour market

2,549,800 people were in employment in Scotland (2018)

Up 3 per cent from 2008, employment rate up 0.5ppts

Since 2008...

- 0% Full-time employment
- 11% Part-time employment
- 20% Self employment
- 6% Non-permanent employment

Employment rates by...

- Gender: -0.9 ppts
- Ethnicity: -5.3 ppts
- Disability: 6.3 ppts

Since 2013/14
But not all regions have fared well

**Regional differences** - Based on an assessment of employment growth, productivity, earnings and unemployment

- **Weak recovery**
  - Borders
  - Dumfries & Galloway
  - Ayrshire
  - Tayside
  - Highlands & Islands

- **Moderate recovery**
  - West Lothian
  - Lanarkshire
  - West Region
  - Forth Valley

- **Strong recovery**
  - Glasgow
  - Aberdeen City & Shire
  - Edinburgh & Lothians
  - Fife
The Future – Total Employment

Average annual growth rate: 0.3%

Total employment
2,846,400
2018

Total employment
2,929,900
2028
The Future – Employment by Region

Absolute change 2018 - 2028

Percentage change 2018 - 2028
Replacement demand consists of workers moving within the labour market and people leaving i.e. retirement

Workers retiring are however expected to be the most influential driver, 855,400 workers in Scotland in 2017/18 were aged 50+ and most will reach statutory retirement age within the next ten years.
Scotland’s population growth

Scotland population growth

280,000
(2008–2018)

Net in-migration

251,000
(2008–2018)

90% of population growth is attributable to in-migration
Falling working age population

Scotland’s population 5.4 million in 2016

WAP (16–64) 3.5 mil
Non-WAP 1.9 mil

Dependency ratio 0.55 (in 2016)

Scotland’s population 5.7 million in 2041

WAP (16–64) 3.4 mil
Non-WAP 2.3 mil

Dependency ratio 0.70 (in 2041)
Example: In 2016, in Scotland there were 55 non WAP for every 100 WAP. By 2041 it is forecast that there will be 70 non WAP for every 100 WAP (National Records for Scotland).
Labour Market Challenges
Challenges for Scotland

But challenges remain

The rise of non-standard work
Living standards
Skills shortages & gaps
Underemployment & under-utilisation of skills
Youth unemployment
Future Opportunities, Challenges and Disruptors
Brexit impacts

There are 140,000 EU nationals (aged 16-64) employed in Scotland, equating to 6% of Scotland’s total workforce.

50% of EU nationals work in either Edinburgh, Glasgow or Aberdeen City – compared with 26% of the total workforce in Scotland.

41% of EU nationals employed in Scotland work in one of the following three occupations:

- **26,200** (23%) Elementary Administration and Service Occupations
- **11,500** (10%) Science, Engineering and Technical Professionals
- **9,000** (8%) Textiles, Printing and Other Skilled Trades

The vast majority made up by ‘Food preparation and hospitality trades’
Skills 4.0: Thriving in the Future
Policy Response

Making skills work for Scotland
Skills Alignment

1. Demand Assessment
2. Provision Planning
3. Outcome Agreements/Commissioning
4. Performance Management/Monitoring
5. Review and Evaluation
Regional Skills Assessment (RSA) Data Matrix – Labour Market Information
### Indicators

The following indicators are included in this workbook:

- PS1: Total Population
- PS2: Self-Employment
- PS3: Work Limiting Disability
- PS4: Population Fluctuation
- PS5: Non-Permanent Employment
- PS6: Employment Projections
- PS7: Skill and Qualification
- PS8: Economic Activity Rate
- PS9: Education Participation Rate
- PS10: Employment Rate
- PS11: Participation Rate

### Matrix Data

The matrix contains summarized data for the City Deal, RSA and Local Authority regions. The three summary pages include a drop-down menu at the top of the sheet for selecting the geography for which summary data will be provided. The relevant indicators can then be selected by clicking the corresponding indicator button. The Local Authority summary page also includes a second drop-down menu for comparison RSA regions as some of the Local Authorities cover more than one region. Please note that school roll numbers and projected school roll are not available in this summary page.

### How to use the Matrix

The matrix contains summary pages for the City Deal, RSA and Local Authority regions. The three summary pages include a drop-down menu at the top of the sheet for selecting the geography for which summary data will be provided. The relevant indicators can then be selected by clicking the corresponding indicator button. The Local Authority summary page also includes a second drop-down menu for comparison RSA regions as some of the Local Authorities cover more than one region. Please note that school roll numbers and projected school roll are not available in this summary page.

### Composition of 2017 RSA Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen</td>
<td>Aberdeen City</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>Aberdeenshire</td>
</tr>
<tr>
<td>Angus</td>
<td>East Dunbartonshire</td>
</tr>
<tr>
<td>Bute</td>
<td>East Renfrewshire</td>
</tr>
<tr>
<td>Clackmannanshire</td>
<td>Clackmannanshire</td>
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<tr>
<td>Dunbartonshire</td>
<td>Dunbartonshire</td>
</tr>
<tr>
<td>Dunfermline</td>
<td>East Dunbartonshire</td>
</tr>
<tr>
<td>Fife</td>
<td>Fife</td>
</tr>
<tr>
<td>Forth Valley</td>
<td>Falkirk</td>
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<tr>
<td>Highland</td>
<td>Highland</td>
</tr>
<tr>
<td>Inverness and Highland Council</td>
<td>Inverness and Highland Council</td>
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<tr>
<td>Lanarkshire</td>
<td>Lanarkshire</td>
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<tr>
<td>Lothian</td>
<td>Lothian</td>
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<tr>
<td>West Lothian</td>
<td>West Lothian</td>
</tr>
</tbody>
</table>

### Change to 2017 City Deal Regions

As of this year, data relating to the Tay Cities Deal region (TCD) has not been included in the data matrices. The TCD area comprises Angus, Dundee, Perth and Kinross and North East Fife. As much of the data presented across the data matrices is only available at a local authority level, we were unable to source data for North East Fife. Further, using total Fife data skewed the results, and it was decided that the Tay Cities Deal region would not be included within the data matrices this year (until a suitable solution is agreed).

This year, we have also included the Stirling and Clackmannanshire City Region Deal; this region comprises Clackmannanshire and Stirling local authority areas.
RSA Data Matrix - Development

• Utilising available data visualisation software to create a user-friendly dashboard.

• Indicators grouped under three different themes to match the skills planning model:
  • Skills Supply
  • Skills Demand
  • Skills Mismatches

• Captures over 80 indicators in a visually engaging way.

• RSA Data Matrix is an evolving product – we aim to hold quarterly development meetings to consider suggested improvements based on user requirements.
RSA Data Matrix

- RSA Data Matrix sits on the corporate site and is available internally and externally.

- Timely presenting data (in the same month as release).

- All charts/tables are formatted and can be used as screenshot or link to webpage can be used in presentations.

- PDF guidance and video tutorial available online.

- Aim to reach out to those who may not have a keen interest in LMI.

https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
RSA Data Matrix – any queries

Please email any comments or queries to:

rsa@sds.co.uk
Questions, Answers and Discussion
Thank you

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