



Foreword



Professor Russel Griggs, Chair, South of Scotland Economic Partnership (SOSEP)

This is a period of significant change and opportunity for the south of Scotland. With the establishment of the South of Scotland Economic Partnership (SOSEP) and the Scottish Government's commitment to establish a new South of Scotland Enterprise (SOSE) agency, there is a unique chance to drive innovative solutions to enhance the strengths and opportunities that exist in the region as well as tackle some of the challenges that demography, connectivity, and low productivity can bring in rural communities. SOSE will drive inclusive growth and economic productivity; sustain and grow communities so that people thrive in the areas where they live, study and work; and will capitalise on the people and resources in the south of Scotland to develop their skills and support growth.

SOSEP is working with a range of partners across the region to deliver a programme of work through to April 2020, and to pilot new activity in support of inclusive economic growth. This includes a focus on communities; farming, fishing, forestry, rural high streets and land management; education and skills; key sectors; business support and infrastructure. SOSEP's Education and Skills group has commissioned this Regional Skills Investment Plan (RSIP) to support this workplan.

The RSIP is a product of deep engagement with numerous partner organisations, employers, parents and, critically, young people across the region. This has formed the basis of strong regional partnership working that will enable successful delivery.

It is important to have an evidence-based understanding of labour

market demand and supply of skills, and the south of Scotland RSIP evidence base report provides this detail. It forms the basis of the RSIP and has provided a framework around which to engage with key partners, and to agree specific actions which are detailed in this document.

The RSIP identifies skills challenges such as the vulnerability of certain communities to changes in their local businesses, and the need to re-skill or up-skill to help individuals take advantage of new and other opportunities. The region needs to provide more opportunities for progression into higher skilled roles, and to embed 'cross-cutting skills' across all jobs. There is a need to build on existing work to provide clear careers information to raise awareness of regional opportunities for young people. The plan must be flexible to reflect new opportunities and deal with further external challenges. SOSEP has begun that journey by investing about £7 million in expanding what the two local colleges can do to make sure we can train our local people in different things, in different places and in different ways.

There is a need to work with partners to improve access to education, skills and training and further develop the higher education and work-based learning offers in the south of Scotland. This is linked to a wider programme of skills alignment between the Scottish Funding Council and Skills Development Scotland.

Finally, I would like to thank our partners across the south of Scotland for contributing to the development of this RSIP, and their commitment to implementing this over the next three years.

Foreword



Frank Mitchell, Chair, Skills Development Scotland

The publication of this Regional Skills Investment Plan (RSIP) comes at a pivotal moment.

The creation of an enterprise agency for the south of Scotland provides fresh scope to address the challenges faced by the regional economy whilst seizing the opportunities.

The strategic context to this is complex. Scotland has ambitious growth and productivity targets, but faces economic uncertainties such as disruption from technological change, shifting demographics, placing more pressure on the working age population, and the potential impact of Brexit.

How regions such as the south of Scotland react to this will dictate their future prosperity, and skills is a fundamental part of the picture.

Rurality can lead to logistical issues for businesses and for individuals, requiring innovative models for delivering training and learning that make use of digital networks enabling local people to train, re-skill and up-skill throughout their working lives.

This requires deep and sustained partnership working, which reflects the way in which the RSIP has been developed, reflecting the fundamental contributions that all stakeholders must make if it is to deliver for the people and businesses of the region.

For this reason, the RSIP is aligned with the work plan of the South of Scotland Economic Partnership, Skills Development Scotland's new Strategic Framework and the Enterprise and Skills Strategic Board's Strategic Plan.

Through the Strategic Plan, Scotland's enterprise and skills agencies are engaged in developing a joint-agency approach to help Scotland move towards the top quartile of OECD countries for productivity, equality, wellbeing and sustainability.

As a part of this, Skills Development Scotland's new Strategic Framework charts out a vision called Scotland 2035 – A Human Future, envisaging a Scotland characterised by an adaptive and resilient workforce, engaged employers at the heart of shaping skills, and a dynamic and responsive learning ecosystem.

Turning this vision into a reality requires a robust evidence base to inform actions and investment, with this RSIP and the

accompanying Evidence Base Report providing a level of detail for the south of Scotland which hasn't previously been available.

Some of the work required is already underway. For example, the expansion of work based learning and new pathways to employment in the south of Scotland is a clear priority.

Graduate Apprenticeships can improve access to higher education; Foundation Apprenticeships are now being offered across the region; and there are opportunities for growth in Modern Apprenticeships across the south of Scotland.

For employers, the opportunity now exists to engage in this work – to help shape its direction, to reap the benefits and to contribute to the region's future prosperity.

That involves taking a strategic approach to workforce development, engaging in the evolution of our learning and skills system and embracing the principles of fair work.

Addressing these skills issues alone will not transform the regional economy, but by working in partnership we can maximise the opportunity that the creation of the South of Scotland Enterprise agency represents.





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Introduction

We are pleased to publish this Regional Skills Investment Plan (RSIP) for the south of Scotland. This RSIP has been based on a detailed assessment of the economic and skills challenges facing the south of Scotland and on deep engagement with businesses, people and partners in the region.

The RSIP is evidence based – and should be read alongside the accompanying south of Scotland RSIP evidence base report, which presents a wide range of primary and secondary evidence, developed from May to December 2018, and which sets out the main conclusions and strategic insights that have informed this RSIP and its associated action plan.

The RSIP has been commissioned by the South of Scotland Economic Partnership (SOSEP) and its Education and Skills theme group, prior to the establishment of the new South of Scotland Enterprise (SOSE) agency on 1 April 2020. SOSE will be charged with improving productivity, and delivering inclusive economic growth across the region, and the RSIP will support these objectives by addressing key skills challenges in the south of Scotland.

In the interim the south of Scotland Economic Partnership has recognised the strategic need to establish an RSIP for the south of Scotland as one of its key early commitments. The RSIP sets out our collective and agreed understanding of

- the demand for skills and people in the short and medium term
- current people and skills supply, and the gaps between supply and current and future demand
- the people and skills priorities that enterprise and skills agencies and the skills system should seek to address.

The RSIP sets out a clear set of commitments and actions that partners will deliver in support of the Skills Investment Plan and also provides:

- an agreed baseline to monitor future progress
- proposals for clear governance, delivery and reporting arrangements.

Developing the Regional Skills Investment Plan

The development of the underpinning evidence base has used a wide range of approaches and sources to inform the RSIP including:

- the development of a detailed evidence base report – based on existing data
- one to one interviews and workshops with stakeholders across the south of Scotland

- direct engagement with local businesses and business groups
- workshops and focus groups with young people in the region including school, college and university students.

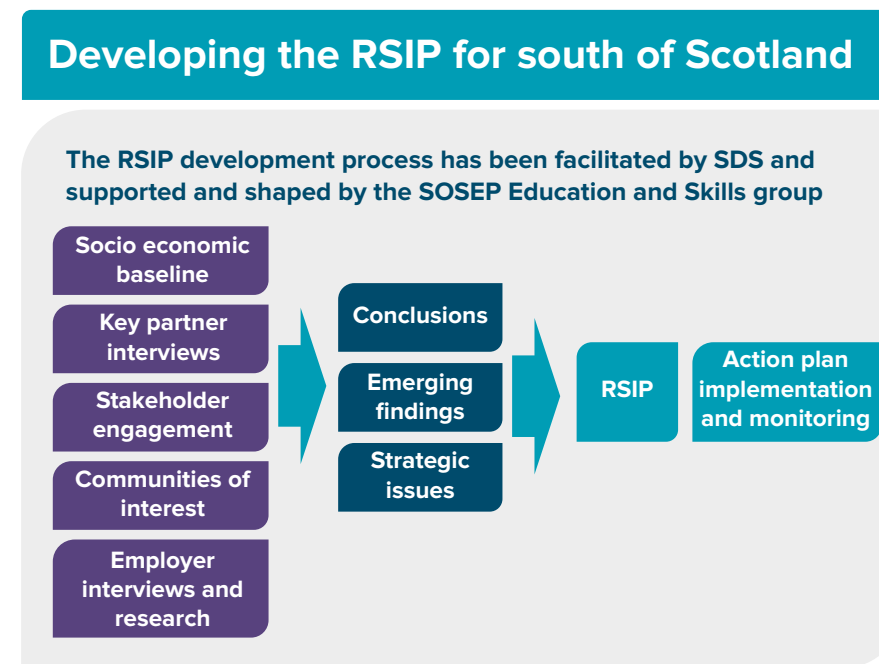
This research provided the basis for a set of conclusions and strategic issues which were discussed, prioritised and agreed by the SOSEP.

Structure of the Regional Skills Investment Plan

The remainder of this report is formatted as follows:

- **labour market demand in the south of Scotland** – analysing the current and future demand for labour in the region with a sub-regional analysis
- **labour market supply in the south of Scotland** – analysing the current and future supply of labour in the region
- **stakeholder insights from partners, young people and employers** – analysing key skills issues from stakeholder interviews and workshops
- **mission, strategic outcomes, areas for action and principles** – setting out the ambitions of the RSIP
- **action plan for 2019-22** – detailing specific actions and commitments that the RSIP will deliver on in the next three years
- **focus on equalities** – outlining how the plan will seek to address inequalities in the south of Scotland
- **governance** – setting out how the RSIP will be effectively governed.

Figure 1.1: Research approach



A detailed description of the organisations and groups that have engaged with the research is presented in Appendix 1.

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Rural context of the south of Scotland

Implications for the Regional Skills Investment Plan

- the south of Scotland is different compared to other parts of Scotland and internally within the region
 - there are a wide range of place-specific factors which present challenges and therefore require a bespoke response
 - the region is particularly vulnerable to changes in the external environment, which have an impact on access to skilled labour, and lacks the necessary levels of resilience to respond effectively to these challenges
 - agriculture and land-based industries are crucially important to the economy in the south of Scotland, but are facing a potential reduction in farming subsidies and greater difficulty accessing skills because of Brexit and demographic factors
- the region is diverse and the appetite for risk amongst small and micro businesses is low. Strong two-way engagement is required to find creative solutions to address skills challenges facing businesses in the region
 - there are several non-skills issues which will indirectly impact on the region's labour market skills challenges
 - there are some clear and consistent policy messages, and the RSIP will ensure it is consistent with, and supportive of, wider policy priorities.

In developing this RSIP, it is crucially important to reflect the specific character and nature of the region, and consequently the research has been undertaken through a 'rural lens'. This perspective is based firmly on the data and evidence presented later in this report.



1.2% of the region's employers report skills shortages and hard to fill vacancies - higher than the national average





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Rural context of the south of Scotland continued

A rural reflection

The south of Scotland is different not only from urban Scotland but also from other parts of rural Scotland such as the Highlands and Islands. In addition to this complexity, it is different within the region. For example, there are big differences between the northern part of the Scottish Borders with its links to Edinburgh, and the small towns and villages along the Nith Valley or coastal villages in Wigtownshire and Berwickshire.

“.....neither a suburb of the Central Belt nor a mirror of the Highlands and Islands - but a place with distinctive shape, culture, dynamic and set of values”. **Delegate at a stakeholder event¹**

There are some significant aspects of the rural nature² of the south of Scotland that are worth highlighting:

- the skills markets tend to be 'shallow and dispersed', which means that there are generally small numbers of individuals in one or more skills areas across a wide geographic area. As a result there will be insufficient demand to support traditional education and skills interventions
- there is an over-reliance on certain (commercial) sectors such as primary industries, tourism, and food and drink. This can manifest in issues such as seasonality, part-time employment, low skills base, low levels of innovation

- agriculture and land-based industries are crucially important sectors to the wider economy, but are facing potential reductions in farming subsidies and greater difficulties in accessing skilled labour because of Brexit and demographic factors
- there is a reliance on major employers in certain communities, notably public sector and manufacturing jobs, and this can create increased vulnerability for communities if these employers down-size or enter administration
- seasonal and part-time working can act as a disincentive to training
- the appetite for risk is low amongst small and micro employers, and businesses lack the necessary levels of resilience to respond effectively to changes and skills challenges in the external environment
- susceptibility to a 'hard' Brexit. There appears to be a high reliance on overseas workers in sectors which are important to the rural economy (primary/hospitality/ food/land-based industries) as well as in the public sector (health and education³). The outcome of the current negotiations could have a major impact on the future supply of skills and delivery of services

- the demographic challenge. In Scotland, the rural population is increasing slower and ageing faster than urban Scotland. This presents a range of skills-related challenges and potentially opportunities for the future
- employment patterns are different in rural areas. For example, there are higher incidences of self-employment, part-time employment, portfolio working, and home-working compared to urban Scotland
- there are higher incidences of young people moving away from home to work or study due to the (perceived) limited local opportunities
- community learning and development (CLD) activities are crucially important in enabling vulnerable or disadvantaged groups to engage in learning in rural areas
- there are significantly greater numbers of second homes/holiday homes in rural areas which puts added pressure on the housing available for local people, as well as impacting on overall house prices
- the scale and nature of labour market demand will have a direct impact on the availability of college and university level opportunities, and there can also be accommodation costs depending on the home location of students

- economic underperformance of many rural areas in terms of Gross Value Added (GVA) output, wages, scale of businesses, productivity levels, levels of research and development/innovation and qualification levels compared to the Scotland average.

These points set a high-level context within which the RSIP has been developed and will be delivered. We would also note that the above does **not** describe some of the wider social issues such as fuel poverty, remoteness, or access to services.

Interdependencies

There is also a range of wider factors, which although not strictly skills issues, will nevertheless impact on the region's ability to access and retain individuals.

There is a widely recognised⁴ number of key factors which need to be in place to attract and retain skilled workers in the region. These factors could have opposite impacts; for example, having good quality jobs with good career prospects may be a pull factor, but a lack of appropriate and affordable housing may act as a push factor.

The main non-direct skills issue for the south of Scotland is transport; with issues around cost, reliability and regularity. The transport issue applies to both access to education and access to employment. The distance some individuals must travel in the south of Scotland to access training and education can be a barrier to engagement.

Other key factors include:

- the need for appropriate employment opportunities for spouse/partner
- the availability of a range of housing and tenure options
- good quality education facilities for children (including childcare)
- availability of social and leisure amenities
- access to mobile and broadband of sufficient speed and coverage

Although these are not direct skills issues, they must be addressed in order to maximise the positive impact of the RSIP in meeting the themes and actions outlined later in this document. If they are not addressed then the RSIP will be less likely to be fully successful.

It will therefore be important that the issues are addressed within the wider SOSEP and emerging SOSE structures, with clear lines of responsibility across partners and regular communication around progress.

¹Paper on SOSEP Key Messages to the Cabinet Secretary, 23rd August 2018
²See also <https://www.gov.scot/Publications/2018/10/4125/downloads#res541245>

³As per Scottish Borders Council.

See also <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/3/20/The-impact-of-Brexit-on-Scotland-s-Growth-Sectors-1#> and https://www.sruc.ac.uk/downloads/file/3603/december_cpg_briefing_-_the_rural_workforce

⁴From stakeholder interviews and see also <https://www.gov.scot/Publications/2018/10/4125/downloads#res541245>



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Rural context of the south of Scotland continued

Strategy and policy environment

There is a complex and far reaching strategy and policy environment at national, regional and local authority level which will have some bearing on the shape and outcomes of the RSIP.

A detailed policy analysis is outside the scope of this commission; however, it will be important to ensure the RSIP is consistent with, and supportive of, the wider policy architecture. The current policy environment covers economic development, planning, skills, community, employability, transport, etc. However, there can be a tension between national policy priorities and local/regional need. At a strategic level there is a clear policy focus to support inclusive economic growth with skills seen as a key driver of growth.

From an RSIP perspective the key policy references⁵ will be:

- the Enterprise and Skills Review
- consultation and development documents for the SOSE
- Borderlands Growth Deal
- Inclusive Growth
- 15-24 Learner Journey
- Commission on Widening Access
- Curriculum for Excellence

- Local Authority Economic Development Strategies
- Edinburgh and South-East Scotland City Region Deal
- Skills Action Plan for Rural Areas
- Community Learning and Development (CLD)
- Skills Development Scotland Equalities Action Plan for Modern Apprenticeships in Scotland.

From a rural perspective, there are some clear and consistent strategic pointers from the policy frameworks, namely:

- central focus on economic growth and employment, but with the focus on inclusive and sustainable growth
- recognition of rural interdependences and accessibility issues
- the primacy of specific sectors (e.g. primary, food, tourism)
- the crucial nature of the natural environment.

In addition, the development of the RSIP is one of the key actions in the SOSEP work plan, and it will align to the key areas for action in the Education and Skills section of that work plan, as follows:

- map learning and skills provision across the south of Scotland

- Skills Development Scotland and the Scottish Funding Council to share information to better align skills demand and supply
- ensure awareness of and access to the widest possible range of work opportunities for young people
- identify and develop options, articulation and transition routes into/between college/ university and into work
- support opportunities for graduates into work
- up-skill/equip individuals in the existing workforce with higher level technical and digital skills
- build capacity within existing businesses
- focus on equality and diversity across the key areas of action.

The RSIP will also link to other parts of the SOSEP work plan and emerging projects as follows:

- establish college Learning and Skills Network 'hub and spoke' model
- create a regional tourism innovation and skills action plan linked to the tourism SIP
- establish regional textiles centre of excellence and training centre
- strengthen and streamline business support (with a focus on skills)
- support south of Scotland Rural Skills and Entrepreneurship project.

There will also be strategic linkages to other initiatives across the region. As noted previously Brexit will have an impact on certain sectors within the south of Scotland. As the actions in the RSIP are taken forward it is important that the plan is flexible enough to take account of the implications of Brexit. Some further sectoral impact analysis will be required for the land based sectors, tourism, hospitality, education and health and social care, as these sectors are likely to be worst affected in terms of availability of skilled labour. This would link to the work of the Brexit response team set up under the farming, fisheries, forestry and land management work stream within the SOSEP work plan, with a link into the 'key sectors' group. The impact of Brexit on skills will also continue to be reviewed by partners on the Education and Skills theme group.

The challenges set by the rural nature of the region and the sub-regional variations cannot be underestimated. RSIP actions must develop solutions which are appropriate to this rural context.

⁵A full list of relevant policy/ strategy documents is provided in the main evidence report.

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Labour market demand in the south of Scotland⁶

Implications for the Regional Skills Investment Plan

- the region has a high reliance on certain sectors⁷ for the majority of employment. These include wholesale and retail; health and social work; agriculture, forestry and fishing, manufacturing, hospitality and tourism. It is important that the RSIP can help deliver skills provision in these areas
- most of the prominent sectors in the south of Scotland are characterised by low wages. It is important that individuals have the opportunity to develop and progress into more highly skilled roles where possible
- as well as job specific skills, 'meta skills' or 'cross-cutting' skills in all sectors and occupations are important as these will increasingly be embedded across all jobs
- the overall number of jobs in the area is projected to decline over the next 10 years with 40,500 openings coming from replacement demand. A key challenge for the region will be how to create expansion growth and ensure that the skills are available for these opportunities
- there are fewer higher value jobs available and this can be a disincentive for couples and families moving into the region, where only one partner may be able to secure a higher value role
- the sub-regional analysis highlights a number of similarities but also differences across the south of Scotland. Therefore, the RSIP must develop flexible solutions which reflect this
- unemployment appears low in some of the sub-regions, but this could be because people are choosing to leave these areas.



7% of residents travel to work in Edinburgh and the Lothians



⁶See also: <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/>

⁷Defined as 'Total Employment (jobs)' in 2018, covering health and social care; education; construction; tourism and traditional manufacturing

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Labour market demand in the south of Scotland continued

Current skills demand

A detailed and comprehensive socio-economic and skills analysis is included in the evidence base report and the key messages are highlighted below. This section sets out current labour demand in the south of Scotland, alongside available projections on future labour demand. This draws on national statistics including data provided in Skills Development Scotland's Regional Skills Assessment for the south of Scotland.

The total regional employment (measured by the number of jobs) is estimated to be 126,100 in 2018, an increase of 0.1% on 2017. The four largest employing sectors are:

- wholesale and retail – 19,900 jobs
- human health and social work – 19,600 jobs
- agriculture, forestry and fishing – 12,500 jobs
- manufacturing - 12,300 jobs.

The research also identified the importance of the following sectors to the region's economy:

- accommodation and food services (tourism)– 9,400 jobs
- education – 8,800 jobs
- construction – 8,400 jobs
- professional, scientific and technical activities – 6,500 jobs.

An analysis of the sectoral composition in the south of Scotland shows that some sectors are over-represented compared to the Scottish average. Manufacturing for example makes up 10% of total employment in the region compared to 7% of total employment at a Scottish level, whilst employment in agriculture, forestry and fishing was approximately four times higher in the south of Scotland compared to Scotland (location quotient of 4.2).

In addition, some sectors are under-represented in the south of Scotland compared to the Scottish average. These include the following sectors:

- financial and insurance (1% vs 3% at Scottish level)
- information and communication (1% vs 3% at a Scottish level)
- professional, scientific and technical (5% vs 7% at a Scottish level).

The research's consultations also highlighted the importance of health and social work, agriculture, forestry & fishing, manufacturing, tourism, food & drink, textiles, and retail to the region.

By occupation, the greatest number of jobs in the region are in skilled trades (19,600 people), professional (19,500 people) and elementary occupations (16,000 people). The percentage of people in elementary and

skilled trades roles is higher than the Scottish average, whilst the percentage of people in professional occupations is lower. Overall, the region has lower levels of employment in higher level occupations, and higher levels of employment in lower level occupations. These lower level occupations are typically lower skilled and lower waged roles. The challenge then is around how to create more higher value roles in the region and to promote career progression into these roles.

Wage levels across the region are less than the Scottish average. From 2008-18, workplace and resident wages in both Dumfries and Galloway and the Scottish Borders have risen (10% and 7.3% for Dumfries and Galloway, and 26.6% and 12.5% in Scottish Borders respectively), as have wages across Scotland (both 21%). Both resident and workplace earnings in the region are below the Scottish average. It is not possible to provide a sub-regional split of wage levels. Further research would be useful in this area.

The region is highly self-contained with most residents working locally. Overall 86% of residents live and work in the south of Scotland. 7% of south of Scotland residents travel to work in Edinburgh and Lothians and this is largely due to the proximity of the Scottish Borders to Edinburgh and surrounding areas. 1% of residents travel to Northumberland and the north

east of England, while 1% of residents travel to Carlisle and the north west of England.

There are also higher levels of self-employment, 17.3% in the south of Scotland compared to 11% in Scotland.

Productivity (GVA per job) is lower overall than the Scottish average (£40,200 compared to £47,800 for Scotland), and this is largely due to sectoral strengths in lower output industries.

However, the information & communication and financial & insurance activities sectors in the south of Scotland are more productive in the region (in terms of GVA per job) than in Scotland overall (£18,900 higher and £6,400 higher respectively). Care should be taken when interpreting this analysis as these sectors are small within the region which could be affecting the result.

An analysis of business and enterprise levels shows that there has been an increase in the number of businesses in the area (up 6% compared to 2010), but this has been a slower rate of growth than Scotland.





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Labour market demand in the south of Scotland continued

Future skills demand⁸

The total number of jobs is expected to decline across the region over the next ten years by 2% (-2,300 jobs), compared to a 3% increase across Scotland⁹. The largest forecast decline is projected in manufacturing (-1,900 jobs); agriculture, forestry and fishing (-700 jobs) and public admin & defence (-600 jobs).

However, forecasts estimate that there will be 38,200 job openings in the region in total between 2018 and 2028, driven entirely by replacement demand (the need to replace workers leaving the labour market).

The greatest number of forecast job openings by 2028 are expected in (see Table 1):

- wholesale and retail trade (8,600 jobs)
- agriculture, forestry and fishing (7,900 jobs)
- accommodation and food services (4,200 jobs – including tourism)
- human health and social work (3,300 jobs).

The manufacturing (-300 jobs) and other service activities (-100 jobs) sectors are expected to be the only ones that experience an overall contraction from 2018 to 2028.

By occupation, the changing profile of jobs in the south of Scotland is forecast to boost construction and cultural, media and sport occupations. From 2018 to 2028 skilled construction and building trades are forecast to experience the biggest increase in employment (300 additional workers). Other occupations forecast to see a rise in employment include culture, media and sports (200 people); business and public service professionals (100 people) and business and public, service associate professionals (100 people).

The greatest declines in occupations are those most closely associated with the manufacturing sector. Process, plant and machine operatives (400 people) and skilled metal and electrical trades (400 people) are forecast to see the largest contractions.

Table 1: Projected change in jobs by sector 2018-2028

	Expansion	Replacement	Job Openings
Agriculture, forestry and fishing	-700	8,600	7,900
Mining and quarrying	-100	0	0
Manufacturing	-1,900	1,600	-300
Electricity, gas, steam etc	-100	200	100
Water supply; sewerage, waste etc	-100	600	500
Construction	700	2,000	2,600
Wholesale and retail trade	-200	8,800	8,600
Transportation and storage	-200	2,600	2,400
Accommodation and food service	100	4,100	4,200
Information and communication	100	0	100
Financial and insurance activities	0	0	0
Real estate activities	0	0	0
Professional, scientific technical	400	0	400
Administrative and support service	400	2,100	2,500
Public administration and defence	-600	1,500	900
Education	0	2,700	2,700
Human health and social work	-300	3,600	3,300
Arts, entertainment and recreation	400	2,100	2,600
Other service activities	-100	0	-100
Total	-2,300	40,500	38,200

Source: SDS/Oxford Economics, 2018

⁸Source: SDS/Oxford Economics, 2018

⁹Note, these forecasts are based on a 'policy neutral' position and are likely to change positively through the work of the new south of Scotland agency, actions taken through SOSEP and other new interventions such as Borderlands

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Labour market demand in the south of Scotland continued

Sub regional profiles¹⁰

The main evidence base report provides a detailed assessment of the sub-regional economic profiles. A summary overview is presented below and addresses some supply side issues. Lists of the sub-regional areas can be viewed in Appendix 2, and maps are available in the evidence-based report.

Border District

The Border District is a rural area in the southern Scottish Borders. It has a small, but growing population, but with a particularly high proportion of people of pensionable age.

There has been strong growth in employment since 2010 of around 1,000 jobs, with growth concentrated in the health, arts, entertainment, recreation, and other services sectors.

This growth has been offset by a decline in manufacturing which has been a key strength of the region. Health is a key industry, primarily due to the Borders General Hospital which is located there.

There is a very low level of unemployment that has been below the Scottish level since 2013. Youth unemployment is also very low (0.5%), having fallen significantly since 2013.

The Border District has a well-educated population, with the proportion of people with degree level qualifications above the Scottish average, and those with no qualifications below the Scottish average.

School leavers are also more likely to go on to a positive destination than average, and are more likely to go on to college or university.

Central Towns

Central Towns encompasses most of the medium sized towns in the Scottish Borders, inclusive of Duns, Galashiels, Hawick, Jedburgh, Kelso, Melrose, Peebles, Langholm and Selkirk. It has a relatively large but static population, with a low working age and high pensionable age population compared to the Scottish average.

Employment growth has been slight since 2010, with increases concentrated in professional, scientific & technical, manufacturing, arts, entertainment, recreation, and other services employment, offset by declines in health employment.

Retail is a key industry in Central Towns, which is unsurprising due to its urban nature and these towns act as hubs for outlying rural areas. Manufacturing is the other key industry, with the major examples being the textile manufacturing in Hawick and fish processing in Duns.

Central Towns has a higher rate of unemployment than the other sub-regions, however, this is still below the Scottish rate. Youth unemployment is low; however, it is comparably higher than the other sub-regions and the Scottish average.

Central Towns has a relatively less well-educated population with a lower than average percentage of people being educated to degree level, and the proportion with no qualifications higher than average. School leavers are as likely as the Scottish average to go on to a positive destination, with college being the most common destination.

Coastal Dumfries & Galloway

Coastal Dumfries & Galloway is a largely rural area, inclusive of the towns of Stranraer, Newton Stewart, Kirkcudbright and Castle Douglas. It has a relatively large, static population with a low proportion of working age people and a high proportion of those of pensionable age.

The area has seen slight employment growth in recent years, with growth concentrated in health and hospitality. The main strength of the area is in tourism, with strong accommodation & food services and retail sectors, as well as strengths in manufacturing and education.

The area has a low level of unemployment below the Scottish level and has seen a reduction in recent years. Youth unemployment is very low having fallen significantly in recent years.

Coastal Dumfries & Galloway has a comparatively less well-educated population, with those with no qualifications considerably above the Scottish average, and those with degree level qualifications also below the

average. School leavers are less likely to go on to a positive destination, however, of those that do, higher education is the most common option.

East Coastal Scottish Borders

East Coastal Scottish Borders is a small, mainly rural area on the east coast, the major settlement of which is Eyemouth. It has a small population that has declined slightly in recent years, and has a high pensionable age population.

Employment has remained static overall since 2010, with increases in arts, entertainment, recreation, and other services and business administration & support services offset by declines in manufacturing. Wholesale is the key strength of the region due to the presence of fruit and vegetable and seafood wholesalers.

East Coastal Scottish Borders has a low unemployment rate, considerably below the Scottish level. Youth unemployment is very low, with significant decreases since 2013. East Coastal Scottish Borders has an education make-up similar than the Scottish average, although with slightly more people with no qualifications. School leavers are less likely than the Scottish average to go on to a positive destination, although university is the most common destination of those that do have a positive destination.



¹⁰See main Evidence Report for geographic profiles

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Labour market demand in the south of Scotland continued

Eastern Dumfries & Galloway

Eastern Dumfries & Galloway is a largely rural area, including the settlements of Lockerbie, Moffat, Gretna and Annan. It has a relatively large, static population, with a high proportion of people of pensionable age.

The area has seen strong employment growth in recent years, particularly in professional, scientific and technical employment. The key strength of the area is manufacturing, particularly fish processing, however, the closure of the Pinney's fish processing plant in Annan will likely have a considerable negative impact.

The area has a low unemployment rate that has seen a considerable decline and youth unemployment is also very low following a steep decline in recent years.

Eastern Dumfries & Galloway has a comparatively less well-educated population, with a much higher proportion of people with no qualifications and a much lower proportion with degree level qualifications. The region has the highest rate of positive school leaver destinations among the sub-regions, with a broadly even split between those going on to college and university.

Greater Dumfries

Greater Dumfries encompasses Dumfries, the largest settlement in the region, and outlying rural areas. Since 2010, the area has seen slight population growth and has a high working age population compared to the rest of the sub-regions.

There has been a slight decline in employment in the sub-region, with a broad-based fall across a number of sectors. The key sectors in Greater Dumfries are retail and health, with Dumfries acting as a hub for services for outlying rural communities.

Greater Dumfries has the highest rate of unemployment of the sub-regions, however, this is still below the Scottish average. Youth unemployment, while relatively low, is the highest of any sub-region, and above the Scottish average. Greater Dumfries has a slightly less well-educated population than the Scottish average, with more people with no qualifications, and fewer with degree level qualifications. School leaver destinations are broadly similar to the Scottish average, with the most common destination being higher education.

North and Rural Dumfries & Galloway

North and Rural Dumfries & Galloway is a small, largely rural area, inclusive of the small towns of Sanquhar and Kelloholm/Kirkconnel. The area has seen a slight population decline in recent years and has a large proportion of people of pensionable age. There has been strong growth in employment in recent years particularly in manufacturing and accommodation & food services, which are also key strengths of the regions, particularly the Browns Brothers meat processing plant.

The area has a low unemployment rate and has seen the strongest reduction in

unemployment since 2013 when the rate was above the Scottish average. Youth unemployment is low; however, it is above the Scottish level and is the highest of the rural sub-regions. The region has a comparatively less well-educated population, with a low level of degree level qualifications and high levels of no qualifications.

School leavers in the area are more likely to go on to a positive destination than the Scottish average, with higher education being the most popular destination.

North Border

North Border has a medium sized population that has seen very strong growth since 2010, with a low level of people of pensionable age, and high proportion of children compared to the other sub-regions.

The sub-region has seen strong growth in employment in recent years, with growth in arts, entertainment, recreation & other services likely due to the Stobo Health Spa near Peebles. The large gap between the working age population and employment likely indicates that a substantial portion of residents are commuting to Edinburgh and Midlothian for work.

The area has a very low unemployment rate. Youth unemployment is also very low with a considerable fall in recent years. North Border has the most highly educated population of all the sub-regions, with those educated to degree level considerably higher than the Scottish average.

In terms of school leavers, higher education is by far the most common destination, considerably higher than the Scottish average and the other sub-regions.

Skills implications

The socio-economic analysis has highlighted some key factors that will impact on the RSIP:

- a high number of jobs are low waged and low skilled, and this is a limiter on sustained economic growth and productivity within the region
 - the majority of job openings are forecast to occur in wholesale and retail trade, agriculture, forestry and fishing, accommodation and food services and human health and social work. Together, these sectors are forecast to require over 24,000 jobs
 - there are fewer higher value jobs available and this can act as a disincentive for couples and families seeking to move into the area, where only one partner may be able to secure a higher value role
 - further work around sectoral and occupational analysis for overall employment would help to identify the types of job openings in the region and this could be considered as part of future research activity. Unfortunately, the forecasts do not provide any strong insights as to the types of job openings in each sector and this should perhaps be one of the key future issues for consideration
- in parallel to this, a key challenge is then how to achieve future expansion growth through new types of employers and new skills. While there will be opportunities in higher value areas such energy, renewables or ICT there is a need to improve the understanding of these and design a local offer
 - unemployment appears to be low in the sub-regions, but this could be because people are choosing to leave these areas to access work, education or training elsewhere. There are also pockets of entrenched worklessness and unemployment in some areas.



4

Labour market supply in the south of Scotland¹¹

Implications for the Regional Skills Investment Plan

- the population is relatively stable but it is ageing alongside declining numbers of young people, resulting in a shrinking labour force. The RSIP will need to consider ways in which the impact of this can be mitigated, such as encouraging older residents to stay in the labour market for longer
- Brexit has the potential of creating skills shortages in all sectors, but this could be more acute in areas such as health and social care; agriculture and land based sectors, hospitality and tourism
- there are high levels of economic activity with low unemployment, including amongst young people – with both positive and negative consequences
- Community Learning and Development (CLD) activities are crucially important in supporting vulnerable and disadvantaged groups and individuals to engage in learning and to progress into work. The third sector plays a key role here
- up-skilling and re-skilling are critically important and will have an impact on the type of provision required in the region. The RSIP should consider this.
- despite enrolments in university level courses in the region, the majority of South of Scotland residents undertake degrees outwith the region. Access to current university level provision is variable across the region
- the south of Scotland has a sizeable proportion of the population qualified below SCQF Level 7 than the Scottish average. Access to education is a contributor to this, alongside the high number of lower skilled jobs. It is important that provision and funding is sufficiently flexible to address these issues and challenges
- there is an under-representation of apprenticeships in the region and continued work is needed to increase the uptake of work-based learning opportunities such as Modern, Foundation and Graduate Apprenticeships. These offers will provide good quality employment and progression opportunities for young people
- as most post-school students are in college (87%) it would seem appropriate in the future to work collaboratively to promote and expand other education pathways as alternatives – more local/ apprenticeship/new work-based learning models
- while the overall workforce is less well educated, school leavers are now around the national average.



The south of Scotland enjoys a global reputation for its textiles and knitwear

¹¹Source: SDS/Oxford Economics; National Records of Scotland; UKCES Employer Survey (2017)

4

Labour market supply in the south of Scotland continued

Population and skills supply

This section sets out current labour market supply in the south of Scotland. This draws on national statistics including data provided in Skills Development Scotland's Regional Skills Assessments.

The region's population was 264,200 in 2017, with 156,600 (59%) of working age (16-64 years old).

- overall population change in the region has been relatively flat, however the population is ageing, with 25% aged 65 and above (compared to 19% in Scotland overall)
- Dumfries and Galloway matched the Scottish population growth rate until 2006 but has been declining from 2011, whilst the Scottish Borders population growth rate has levelled off since 2007
- the region has a lower percentage of its population aged 20-24 and 25-44 than the Scottish average. This is partly due to a high number of young people moving out of the region for higher education at universities in other areas or for other reasons

Analysing the employment status of the working age population, the region's:

- employment rate was 75% in 2017/18, which is in line with the Scottish and UK figures

- Internal Labour Organisation (ILO) unemployment rate was 4% in 2017/18, which is one percentage point higher than the Scotland rate but in line with the UK rate
- Department for Work and Pensions (DWP) out-of-work benefit claimants index was in line with the Scottish rate from 2008-18
- 16 to 19-year olds not in employment, education or training (NEET) rate was 3% in 2018, which is in line with the Scottish average (Annual Participation Measure for 16 to 19-year olds, 2018)
- youth unemployment (16 to 24-year olds) overall has fallen in line with the Scottish average.

The region appears to perform well overall against the Scottish average; however, the main challenge is around a growing aged-dependent group set against a declining number of people of working age. This means that for every 100 people working in the south of Scotland there are 42 who are not working, and this will have an impact on public services such as healthcare. This trend is set to grow as mentioned below, although this must be taken in context as not all people of working age will be working, and some people of non-working age may be working. In addition, unemployment may be low in some of the sub-regions, but this may be due to people leaving to take up work, study or training elsewhere.

The overall labour force is shrinking and as a result there is a need to make use of the skills of the whole population (including older people and those disengaged from the labour market) to ensure employers have access to skilled labour in the future. High levels of economic activity and low unemployment exacerbate this issue, bringing an additional tightness in the labour market. External talent attraction is therefore likely to be required in tandem to wider skills utilisation across the labour market.

The data also hides the labour market challenges faced by disadvantaged groups, such as disabled people and care-experienced young people. Many young people in rural areas face further challenges in accessing employment, training and education opportunities due to the availability and affordability of transport. Community Learning and Development Partnerships play a crucial role in supporting inclusive learning opportunities for individuals of all ages across the region.

In terms of education and qualifications, the working age population in the region has a lower level of qualifications than Scotland as a whole.

- only 36% of the region's working age population are qualified at SCQF Level 7 or above, compared to 44% across Scotland

- across the south of Scotland region, 92.5% of 16 to 19-year olds were in participating statuses (education, employment or other training and development), higher than the national figure (91.8% for Scotland). The majority of 16 to 19-year olds in the region in 2018 (69%) were participating in education (school, further education or higher education).

Future labour market supply

The region's population is projected to decline by 2% between 2016-41. This is set against a national rise of 5% in Scotland. In addition, the working age population (16-64) in the south of Scotland region is estimated to decline by 15% over the same time period, which is equivalent to a loss of 24,100 people. This is higher than the 4% decrease in the working age population projected across Scotland.

Other key points to note are that between 2016-41:

- the greatest increase in the population will be among the over 75's (73%)
- every age category aged under 65 is set to decline
- the projected age dependency ratio is estimated to increase to 65%, compared to 43% in Scotland overall.

In order to counter the impact of the ageing workforce and declining working age population, there is a need to maximise the employment rate

and productivity levels of the wider population and increase the proportion of the over 65's remaining in the labour market. However, this in itself will not be enough to tackle the skills challenges ahead, and therefore attracting and retaining those of working age into the region will be crucially important. A further challenge is that partners of individuals who have taken, or plan to take, higher value jobs in the region, may not be able to find jobs at a similar level, and this can be a disincentive to moving into the south of Scotland.



4

Labour market supply in the South of Scotland continued

Current skills provision Education provision

Further education (FE) and higher education (HE) provision is delivered in both college and university settings across the south of Scotland. At the college level, Borders College delivers from campus sites in Galashiels, Hawick, Tweedbank and Newtown St Boswells whilst Dumfries & Galloway College has a presence in both Dumfries and Stranraer. The region is also further served by the SRUC's Barony campus, which sits on a working estate outside of Dumfries.


In terms of university presence, Heriot Watt has its School of Textiles and Design in Galashiels, and the Crichton campus – home to University of Glasgow, University of West of Scotland and the Open University – is based in Dumfries. SRUC's Barony campus and the Glasgow School of Art also provides a higher education offering within the region. It is important to note that colleges and universities are also significant employers within the south of Scotland and do provide economic benefit to the region.

The school, college, university, and work-based learning offers are outlined below. Skills Development Scotland's Regional Skills Assessment reports are used to inform college and university provision through the Regional Outcome Agreements. In addition, Skills Development Scotland works with key industry sectors to discuss demand for apprenticeships. The overall regional offer is roughly in line with industry demand, but the

challenge is to identify flexible methods of delivery that meet the current and future needs of employers, young people, individuals of all ages and existing employees. It must also be flexible enough to address skills challenges in the wider environment, and to support articulation at all levels. There needs to be a wider discussion around further developing the HE offer in the region to attract and retain talent.

School provision

- there are 60 primary schools and nine secondary schools in the Scottish Borders. There are 98 primary schools and 16 secondary schools in Dumfries and Galloway
- all schools offer a curriculum based on the national guidelines for a Curriculum for Excellence, which is overseen by Education Scotland, and links to national policies for the 15-24 Learner Journey and Developing the Young Workforce (DYW)
- across the schools, as young people progress through the stages of Curriculum for Excellence, they can study for a flexible range of qualifications to meet their needs based on Scottish Credit Qualifications Framework (SCQF) from Level 1 to level 7. Schools are increasingly offering wider qualifications as part of a more flexible senior phase pathway, including vocational courses, to recognise the full breadth of learning and skills development in the senior phase

- 
- opportunities are provided in S3-S6 for some pupils to undertake school work experience placements
 - school pupils in the senior phase (S5-S6) are able to access work-based learning opportunities such as Foundation Apprenticeships
 - education departments will be taking forward five priority areas for the senior phase over the next three - five years. These will link to the RSIP actions and include:
 - advice, information & guidance – skills development & tracking (My World of Work), careers, information and advice (including CES) and personal support entitlement
 - provision – DYW, STEM, senior phase curriculum 'offer' and pathways, schools and college articulation
 - alignment – digital skills development, virtual learning, timetable alignment, transitions and 'Grow our own workforce'
 - leadership – collaboration, partnerships, influence
 - performance – data collection across other priority areas; tracking development
 - Skills Development Scotland careers advisers and school pastoral staff work with young people in schools to help them with their career choices. Schools offer a range of careers information through careers fairs, alternate pathways evenings, senior phase information evenings and the My World of Work web portal (www.myworldofwork.co.uk). The Career Management Skills (CMS) approach is embedded throughout the Skills Development Scotland services and enables people to take control of their career by acquiring a set of skills that leads to successful career planning
 - the region has two Developing the Young Workforce groups that provide the link between school pupils, parents, teachers and employers in order to support the transition between school, work or study. The education services work and plan in partnership with industry and college.



4

Labour market supply in the south of Scotland continued

College provision

- total Scottish Funding Council annual spend on colleges in the region is around £20m
- the number of people accessing funded college places across the south of Scotland increased overall from 10,610 in 2014/15 to 11,640 in 2016/17 (9.7% against 4.6% increase at Scotland level). The growth was at both HE and FE level. In 2016/17, 89% of college enrolments across the region were at FE level. This varied slightly by institution. For Borders College and Dumfries & Galloway College, HE enrolments accounted for 12% and 13% of total enrolments respectively. This is below the Scottish average of 17%. Accurate comparisons of HE enrolments at SRUC are not possible here because of different recording systems
- in 2016/17, Dumfries & Galloway College had the greatest share of college enrolments in the region (50%). The remaining enrolments were split by Borders College (39%) and SRUC Barony Campus (11%)
- health subjects accounted for the greatest proportion of student enrolments in the south of Scotland in 2016/17 (2,475 enrolments, 18% of all college enrolments in the region). However, this also includes hair and beauty enrolments which would not directly support the skills shortages in the health care sector. The south of Scotland is also over represented in social work subjects, which account for 18% of enrolments in the region, compared to just 6% at the national level
- for SRUC Barony Campus, most of the enrolments (89%) are in agriculture and horticulture subjects due to the focus on land based subject areas
- in the south of Scotland, enrolments on engineering subjects account for a smaller share of total enrolments (4%) than across Scotland (12%). The region also has a smaller share of science and maths enrolments (2% compared to 3%). Borders College and Dumfries & Galloway College each have a slightly greater share of enrolments in construction subjects – 9% and 7% respectively, compared to 6% across Scotland
- compared with the national average, the south of Scotland has a greater share of enrolments in food technology & catering – 9% compared with 4% nationally
- in 2016/17, overall success rates (across all levels of study) varied across the region, with 68% of all students completing successfully at Dumfries & Galloway College, 75% at Borders College and 89% at SRUC Barony Campus. This compares to an overall success rate for the sector of 73%
- 95% of 1,649 qualifiers combined from Borders College and Dumfries and Galloway College had confirmed destinations. 92% of these qualifiers went into a positive destination, which was slightly below the Scottish average of 94%.



Increasing uptake of work-based learning - including Scottish Apprenticeships - will help to ensure young people stay in the region

4

Labour market supply in the south of Scotland continued

University provision

- the number of university students in the region (excluding Open University) was 1,700 in 2016/17
- in 2016/17, Heriot Watt at the Galashiels Campus had the greatest share of university students in the region (40%). The remaining students were split across the University of West of Scotland (UWS) (33%), the University of Glasgow (21%) and SRUC (7%)
- in addition, there were 525 Open University students in Dumfries and Galloway and 420 in the Scottish Borders in 2016/17 – representing 6% of the national OU total
- the total number of university students in the region (excluding Open University) decreased by 3% between 2014/15 and 2016/17. This contrasts with an increase of 4% in students undertaking higher education at the national level
- the University of Glasgow and SRUC both experienced a growth in students in the region over the three academic years; however, this was offset by decline of 15% at UWS and a small decline at Heriot Watt of 2%.
- in 2016/17, 84% of university students in the region (excluding Open University) were completing a first degree i.e. undergraduate, 10% were undertaking a sub-degree and 6% were completing a postgraduate course. This is significantly different to the national higher education composition with two thirds completing a first degree, 24% completing a postgraduate course, the remainder completing a sub-degree (9%, in line with the national level)
- student level of study in the south of Scotland varied slightly by institution. For Heriot Watt and UWS, almost all students completing a first degree (92% and 90% respectively). The University of Glasgow student level mirrored that of the south of Scotland region and all SRUC students were at sub-degree level
- students undertaking postgraduate and first-degree courses increased over the past three academic years. Growth in postgraduate students in the region is substantially higher than the national increase (47% compared with 5% for Scotland)
- in contrast, the number of students undertaking a sub-degree almost halved
- almost 80% of all Open University students are competing an undergraduate degree
- almost three-quarters of all university students (excluding Open University) in the South of Scotland (72%, 1,235 students) are completing one of four courses; design

studies, nursing, teacher training, or animal science. The course offering/uptake in the region is less diverse than that of Scotland and reflects the specialist nature of provision at SRUC and the Heriot Watt Galashiels Campus

- in terms of subject groupings¹², the University of Glasgow and UWS have the most diverse offering with students on courses across seven and six subject areas, respectively whereas Heriot Watt and SRUC have students across two subject areas. Overall, the subject groups available in the area in 2016/17 were much less diverse than the national offering
- arts and social science; wellbeing, languages and education; and STEM related subjects are the most popular areas of study at the Open University (86% of all subjects)
- 98.1% of leavers from south of Scotland universities entered positive destinations
- there is a clear gender imbalance within the student population across the four universities (excluding the Open University) as 85% of university students in the south of Scotland are female. Whilst there are slight variations across institutions, the student profile is dominated by females. The gender split differs substantially to that of Scotland (male 42%, female 58%)

- the ethnicity of students in the region has a broadly similar composition to that of Scotland, less than one in ten students are black and minority ethnic (BME). Heriot Watt has the highest proportion of BME students in the region, almost double that of Scotland. In contrast, at SRUC there were no BME students
- the proportion of students with a known disability in the south of Scotland is above the national level, 14% compared with 11%. This is highest at SRUC and Heriot Watt (17% each).



¹²Using HESA Jacs subjects

4

Labour market supply in the south of Scotland continued

Modern Apprenticeships

- in 2017/18 there were a total of 1,379 Modern Apprenticeship (MA) starts in the south of Scotland. This accounts for 5.1% of all Scottish MAs but as the region accounts for 9% of the 16 to 24-year-old population, this suggests MAs are under-represented within the region
- the MA achievement rate is 76%
- the most common frameworks differ across the region. In Dumfries and Galloway, the most popular frameworks are freight logistics, construction: technical; hospitality; food & drink operations and construction: building. In the Scottish Borders, the most common frameworks are hospitality; business & administration; construction: building; food & drink operations and freight logistics.

Foundation and Graduate Apprenticeships

- Foundation Apprenticeship (FA) frameworks which are currently available include Accountancy; civil engineering; creative & digital media; engineering; food and drink operations; social services & healthcare; social services, children & young people
- in 2019-21 Borders College is contracted to deliver 72 places across six frameworks. Dumfries & Galloway College is contracted to deliver 56 places across three frameworks; and Dumfries &

Galloway Council has 36 contracted places over two frameworks

- UWS has developed four Graduate Apprenticeships in Dumfries and Galloway. These are a BSc (Hons) IT: software development; BEng (Hons) engineering design and manufacture; BEng (Hons) civil engineering; BA (Hons) business management.

Current spend by Skills Development Scotland in the region for delivery amounts to £4.74m per year.

In-work training

Employers also contribute to developing the labour supply by investing in the skills of their workforce. The UKCES Employer Skills Survey collects data on the proportion of employers offering training to their employees in the last 12 months, and found that in 2017:

- at least 49% of the region's employers funded or arranged training for their employees in the last 12 months (compared to 71% for Scotland as a whole)
- the types of training funded or arranged by the region's employers were job specific training (which includes an extremely diverse range of training in terms of skill levels covered), with at least 69% of the region's employers providing training in health and safety/first aid (74% Scotland); basic induction training (over 45% vs 63%), training in new technology (over 47% vs 50%); more extensive induction training for

new staff (over 20% vs 34%); management training; supervisory training (at least 27% vs 33%); and personal development training (at least 1% vs 2%).

The lower than average figures could be due to the high number of small and micro businesses in the south of Scotland who do not have time to train. It is interesting to note however that the training figures for Dumfries and Galloway were higher than the training figures for the Scottish Borders. It should be noted that micro and small companies may not be able to access initiatives which are available to larger employers.

There is also a number of independent training providers who operate across the south of Scotland as well as a number of companies who run in-house training provision.

Partners across the south of Scotland have agreed that an initial task should be to explore the alignment between education provision and regional college demand in more detail. This will support the wider programme of skills alignment to be taken forward by Skills Development Scotland and the Scottish Funding Council. There is an identified need to consider articulation from school to college/university and from college to university. It is also useful to import best practice from the Western Isles model which would ensure that senior phase career options are linked to labour market need.

Current mismatches in labour market

Where skills supply does not meet skills demand it leads to vacancies that cannot be filled because of skills shortages, difficulties in retaining staff, existing staff not having the skills they require to do their jobs proficiently and skills under-utilisation. In 2017:

- 1.2% of the region's employers had skills shortages and hard-to-fill vacancies compared to 0.8 across Scotland
- 13% of employers reported skills gaps (i.e. that some of their staff did not have the skills they required to do their job proficiently), which is below the Scottish rate of 16%
- 40% of employers reported that they have some staff who are under-utilised in the region (i.e. have both qualifications and skills that are more advanced than required for their current job role). This is above the Scottish rate of 35%.

Skills under-utilisation therefore presents a challenge in the south of Scotland where individuals who have a higher skills base cannot find appropriate work.



5

Stakeholder insights from partners, young people and employers

Key messages

The RSIP was informed by engagement with and insights from partners, young people and employers

Partners

- there was a wide range of views around the skills challenges and solutions for the region
- consistently raised issues included: challenging demographics; geography; interdependencies; accessibility; local delivery; transition points; supporting core and new sectors and jobs; less silo working
- need for much stronger understanding of employer needs and engaging with the wider business base
- sub-regional differences are important as is the need for a rural solution to rural issues.

Young people

- overall, there is a strong perception that the region was not a great place for advanced education or employment
- there appears, however, to be limited detailed awareness and understanding about the actual opportunities
- there is a strong range of push factors which cause young people to move from the region, although there is a clear desire amongst several young people to return in the future

- the main negative factors include lack/ cost/ coverage of transport and a lack of “things to do” (social/ cultural).

Employers

- while employers want to recruit locally they often find difficulties either through lack of awareness and understanding of local opportunities amongst young people; lack of technical skills or experience; or lack of soft skills
- employers believe there should be closer engagement with the education sector
- employers would welcome direct and tangible support for training and development activities
- local availability of training support is considered very important, with staff often sent to the central belt or the North of England for training
- vocational pathways are strongly supported but require more promotion and better understanding and awareness
- the region has the lowest percentage of skills gaps in Scotland but is also among the highest in terms of skills under-utilisation.



Agriculture, forestry and fishing supported 12,500 jobs in the region, with 7,900 job openings predicted in the next decade





5

Stakeholder insights from partners, young people and employers continued

This chapter provides an overview of the key issues raised in discussion with partners, young people and employers in the south of Scotland. A list of these stakeholders is provided in Appendix 1.

Responses from key partners

Key messages from partner consultations are summarised below.

Recognising the specific challenges for skills in a rural area

- the region faces a significant demographic challenge in the form of an ageing population and too few people of working age. The region is likely to have one of the highest dependency ratios in Scotland (non-working age population vs working age population)
- delivering skills and education in a geographically dispersed rural environment is likely to require new approaches to delivery
- the skills plan must recognise that there are sub-regional differences, and a 'one size fits all' approach will not adequately address needs and opportunities
- there are several issues (e.g.

transport), which although not directly skills issues, will nevertheless have an impact on the plan's ability to deliver. Therefore, there is a need to ensure interdependencies are addressed.

A skills investment plan for the south of Scotland's economy

- the RSIP should support existing key sectors within the South of Scotland to contribute to growth. This includes both upskilling and growing high value sector employment (new skills)
- other priority skills areas include: enterprise and entrepreneurship; leadership and management; and digital skills
- there is a need to better engage with, and understand, the needs of employers (including micro businesses), across the south of Scotland.

A skills investment plan for the south of Scotland's people

- the plan must play an important role in anchoring young people in the region by broadening the range – and awareness of – education, training, apprenticeship and employment opportunities in the south of Scotland
- transition points should be a critical focus for the plan - school to work; school to college/university; college/university into work; and progressing into and through work.

Looking to the future

- the RSIP must also be forward looking and seek to support the longer-term ambitions of SOSEP, and include a focus on technology, innovation skills, STEM, workforce upskilling, and meta skills – Industry 4.0
- the implications of Brexit are as yet unknown, but could be serious for the region, particularly in certain sectors as noted in the previous sections.

Better aligning the skills system with the needs of the region

- the current education 'offer' needs better co-ordination and more local delivery
- the RSIP should support and align with new opportunities brought about by the priorities of SOSEP and Borderlands, and align with current and planned activities.

The views and opinions of the stakeholders echo the evidence presented in the full socio-economic report, which provides a more detailed analysis. The issues and potential solutions have been used to directly inform the action plan.



5

Stakeholder insights from partners, young people and employers continued

Responses from school and college students

Focus groups were carried out with young people in schools and college to understand their perceptions of living, working and studying in the south of Scotland and their hopes for the future. Some of the key messages are summarised below.

What do young people feel about living in the south of Scotland?

- the focus groups suggested a strong sense of local identity – and loyalty – within the region – with young people feeling a strong link to their communities
- many college students felt that the south of Scotland was a good place to bring up young families, and some had moved to the region when they were younger. It is generally considered a safe place, with easy access to the outdoor environment
- however, there was a perceived lack of ‘things to do’ for young people in their region – and the cost and availability of transport was seen as a barrier to many young people.

What plans do students have beyond their current studies?

- while most school pupils consulted aspire to leave the south of Scotland once they finish their secondary school education many would look to return in the future
- the majority of school pupils aspire to go onto college or university with only small numbers considering apprenticeships
- just over half of students plan to leave the south of Scotland once they finish their college education, whilst a similar number intend to stay locally
- the main reasons why young people leave the region are: to access better quality opportunities at degree level; to access better quality jobs; to access career progression opportunities; and because there is a lack of social and leisure activities.

What would encourage young people to stay in the region for study and work?

- the breadth and availability of the local FE/HE/degree level offer was seen as critical as it would allow young people to live and study locally
- however, the locally available higher education offer (especially at degree level) was considered to be particularly limited
- overall, there are mixed levels of awareness and understanding of the range of opportunities for pupils to continue to learn locally
- however, there is a general sense from pupils that employment opportunities and career pathways are not in a diverse range of sectors or job roles
- opportunities for work experience are important to young people – but are more meaningful when they are in areas which they are interested in pursuing as a career
- young people would welcome more information and advice about careers and future opportunities – including at an early stage.

What would encourage people to stay in – or come back to – the region?

- key factors identified as being important by school pupils to help attract young people back to live, learn and work in the south of Scotland are: availability of a range of quality jobs; availability of quality college and university provision; opportunities for career progression; access to reliable and affordable transport links; and availability of recreational/social opportunities.



5 Stakeholder insights from partners, young people and employers continued

Responses from employers

This section presents information on local employers' skills issues with data obtained from two sources:

- a bespoke survey of 25 businesses in the south of Scotland
- a UK-wide survey, including 450 south of Scotland employers conducted for the Department of Education (2017).

The key issues raised by employers through the interviews are highlighted below:

- there are real and current skills shortages across a wide range of jobs
- those mentioned include: CAD technicians, welders, fabricators, netters, design engineers, machine operators, HGV drivers, quantity surveyors, workshop supervisors, senior managers, chefs and registered nurses, amongst others
- overall the local skills base is qualified to a relatively low level
- there is a lack of awareness amongst young people as to the employment and career opportunities available locally, which often results in a low volume of applications – some local engineering and manufacturing companies often recruit staff from outwith the region
- wider employability (or 'meta') skills were mentioned by most employers as important

- most companies report they allocate a significant amount of time and resource into providing necessary training, support and mentoring
- strong support for Modern Apprenticeships, although there continues to be a lack of understanding of other work-based learning opportunities (e.g. Foundation and Graduate apprenticeships), and other career opportunities within schools
- employers would welcome increased and stronger engagement with the education sector
- a good use of public sector investment could be to channel some investment to employers directly to design and deliver certain aspects of training
- locally available training is considered very important
- other issues considered to have an impact on the region's ability to attract and retain skilled workers are transport, connectivity, and social/ leisure opportunities
- key priorities include: more employer engagement; increasing awareness of vocational pathways into the sector; increasing awareness and understanding of the different jobs and career progression opportunities amongst young people and key influencers; workforce development; and enhancing the local education 'offer'.

UK employer survey¹³

A summary of the results is presented below and in Table 2:

- across the 450 companies surveyed in south of Scotland, 3,000 vacancies were reported (average 6.7 per employer)
- vacancies have decreased in Scottish Borders and increased in Dumfries and Galloway since 2015
- overall the south of Scotland has the lowest percentage of overall vacancies and skills shortage vacancies in Scotland

- incidence of skills gaps is only slightly less than Scotland as a whole
- skills under-utilisation is greater in the south of Scotland compared to Scotland
- a slightly lower proportion of staff in the south of Scotland receive any training.

Table 2: UK employer survey, 2017

	D&G	SB	Scotland
Proportion of employers reporting at least one vacancy	16%	7%	20%
Vacancies as a proportion of all employment	1.7%	3.3%	3.1%
Incidence of skill-shortage vacancies ¹⁴	6.0%	1.0%	6.0%
Incidence of skills gaps ¹⁵	14%	11%	16%
Density of skills gap ¹⁶	4.2%	5.0%	5.0%
Density of skills under-utilisation ¹⁷	12.2%	11.2%	9.2%
Proportion of employers providing training in last 12 months	66%	49%	71%
Proportion of staff trained	52%	51%	62%
Days per person trained	7.5	3.7	6.5

Source: Employer Skills Survey 2017 Scotland slide pack: Department of Education

¹³<https://www.gov.uk/government/collections/uk-employer-skills-survey-2017>. The data is presented at Local authority level but not at south of Scotland level

¹⁴Vacancies reported to be hard-to-fill because applicants lack relevant skills, qualifications or experience

¹⁵Proportion of employers with at least one employee deemed to be not fully proficient in their role

¹⁶% of all staff reported as not fully proficient

¹⁷Proportion of all staff with skills and qualifications more advanced than required for current role

6

Skills priorities and principles – mission, strategic outcomes, and key areas of action

This chapter summarises the main insights gained from the primary and secondary research, and proposes a strategic framework to inform future skills investment.

Key skills themes

The consensus view from the research is that there are six key themes, which would have the greatest impact on addressing skills challenges in the south of Scotland.

- improving access to education, skills and training
- better meeting the skills needs of all employers
- growing and developing the workforce
- a region for young people
- creating a culture of enterprise and innovation
- future proofing the skills system.

Principles of skills planning and delivery in south of Scotland

We recognise that there are several broad principles which will underpin the RSIP. There is a need to:

- agree a manageable number of priority themes/action areas to deliver key priorities
- agree activities that add value, adapt and build upon existing initiatives across the south of Scotland
- focus on short, medium and longer-term actions, as achieving some key early deliverables is important
- secure commitment from key delivery organisations on actions before final sign-off, including ensuring clarity over roles and responsibilities
- establish processes for monitoring and measuring impact of the RSIP and agree ‘what success looks like’
- consider ‘interdependencies’ and how non-skills issues can be addressed by partners to maximise the impact of the RSIP.



Mission, strategic outcomes, areas of action

The mission, strategic outcomes and the areas of action for 2019-2022 are set out in figure 6.1

- the mission is the headline ambition for the RSIP
- the four strategic outcomes are designed to provide direction and ambition for partners across the key skills issues identified from the evidence base. Furthermore, the strategic outcomes are designed so they can be monitored over time.

- the six areas of action are designed to contribute to the delivery of the strategic outcomes.

Figure 6.1: South of Scotland Strategic Skills Investment Framework

Strategic framework				
Mission		By working more effectively together partners across the south of Scotland region will ensure that skills provision is demand-led, accessible and able to meet the needs of employers and residents, resulting in sustained and inclusive economic growth		
Strategic outcomes		<ul style="list-style-type: none"> • Improving awareness and understanding of current and future employment opportunities within the south of Scotland • Improving the availability, awareness and uptake of different education, employment pathways and positive progression for all individuals • Identifying and addressing the skills needs of employers, with more employers investing in the development of effective managers and leaders, driving increased productivity and innovation • Mitigating the impact of the demographic challenge by better developing and utilising the skills base across the wider population, whilst retaining existing and attracting new talent across the region. 		
Areas of action (2019 – 2022)				
Improving access to education, skills and training	Better meeting the needs of all employers	Growing and developing the workforce		
A region for young people	Creating a culture of enterprise and innovation	Future proofing the skills system		
Cross cutting themes				
Monitoring and reporting	Governance and delivery	Equalities	Addressing interdependencies	Community Learning & Development

7

Action plan for 2019-22

This section sets out the rationale for, and potential impact of, the proposed areas of action, alongside key delivery partners.

The areas of action are based on the evidence presented earlier in the RSIP together with the detailed evidence base report, and crucially through inputs from key stakeholders across the region. They build on existing skills-related activities already delivered through the partners. In addition, the plan takes account of skills interventions currently delivered by Skills Development Scotland including:

- sector skills action plans
- Foundation, Modern and Graduate Apprenticeships
- employability support
- careers advice and support/ My World of Work
- employer support.

The individual activities under each key area of action are a specific response to addressing the challenges and opportunities identified through the research.

These are of course based on a range of known factors and under a set of socio-economic circumstances and are flexible enough to evolve and develop over time.

The next stage will be to develop a more detailed implementation plan which will include consideration of:

- objectives/SMART targets
- workplan with timescales and milestones
- delivery (roles and responsibilities)
- resources (financial and people)
- interim outcomes and longer-term impacts.

In addition to the six themes, there are five cross-cutting issues which will be included within the final implementation plan, including monitoring and reporting; addressing interdependencies; community learning and development partnerships; governance structures, including defining roles and responsibilities; equalities.

The key themes and actions outlined support the strategic aims of the regional community learning and development partnerships across the south of Scotland. The plan will support progression towards, into and through work for disadvantaged/vulnerable individuals. Equalities actions are marked with an asterisk, and an equalities cross-cutting section flows from the action plan.

At this stage, this provides a high-level assessment only, but it is recognised that more detailed development work will be required in the short term. It is important to recognise that the action plan fully reflects the SOSEP work plan which has already identified key education and skills actions, and SOSEP approved projects (marked with a + symbol). Projects that require funding are in bold font. It also links to the work of other SOSEP theme groups (i.e. key sectors and business support) and recognises that some activities will come under the new SOSE agency structure from 1 April 2020.

The action plan has identified lead organisations who are charged with ensuring its delivery. However, further dialogue is required to identify a wider range of partners who can assist in delivering on these actions. Many of these partners are listed in Appendix 1. The action plan follows the financial year starting from 1 April 2019 and completing on 31 March 2022.





Area of action 1: Improving access to education, skills and training

Rationale		Impact	
The research has highlighted that the rurality and geographical spread of the south of Scotland can make it difficult for some individuals and employers to be able to easily access training and education.		Individuals and businesses will have improved access to appropriate education and skills provision. Increased number of students studying within the region. Increased amount of employer specific training undertaken in the region.	
Action	Lead organisation(s)	Strategic linkages	Timescales
1.1 Development of new Learning and Skills Network using digital delivery channels through creation of hubs in Galashiels, Hawick, Dumfries and Stranraer **	Borders and Dumfries and Galloway College/Scottish Funding Council	Build on existing course provision in energy, engineering, construction and care. Link to current and planned delivery of Modern, Foundation and Graduate Apprenticeships and work-based learning pathways	2019 Approval already given to this project
1.2 Identify further opportunities for widening access through additional digital provision/ innovative delivery channels, linked to labour market demand and to support work-based learning	Borders and Dumfries and Galloway College/Scottish Funding Council	SOSEP Skills and Learning Network project RSA/SFC/Regional College Outcome Agreement data highlighting gaps in provision and ongoing work around skills alignment DYW groups, Borders Learning & Skills Partnership Link to future delivery of Modern, Foundation and Graduate Apprenticeships and work-based learning pathways	2019-22 Analysis to be complete with recommendations by end 2020
1.3 Develop processes and careers guidance materials to share with key partners that are preparing young people, workless individuals, under-employed and career changers for employment opportunities *	Skills Development Scotland	My World of Work, apprenticeships.scot, mykidscareer.com Careers information, advice and guidance services/career management skills, DYW groups, colleges and universities	2019/20

Rationale		Impact	
Action	Lead organisation(s)	Strategic linkages	Timescales
1.4 Explore how best to increase the availability of degree level courses in the region, and clarify role of key partners to shape and guide this work	Scottish Funding Council and college/university sector	Crichton Campus Leadership group, and existing links with universities/colleges with a presence in the south of Scotland. Link to skills alignment work between Skills Development Scotland and Scottish Funding Council Communication of current and emerging opportunities through channels including My World of Work, careers information, advice and guidance service, education providers	2019/20
1.5 Establish a regional process for engaging with micro businesses to facilitate a two-way dialogue with colleges, universities, independent training providers and Skills Development Scotland. This would enable them to more clearly articulate their skills needs, and to influence and better access appropriate provision.	College/university sector/ DYW groups	Links to Business Gateway activity and employer organisations Local and regional economic strategies	Establishing process should be an early priority in 2019 and linked to the work of the SOSEP Business Support theme group. Ongoing – with annual review



Area of action 2: Better meeting the skills needs of all employers

Rationale		Impact	
<p>The key regional employers are in sectors such as health/social care, education, construction, hospitality, land based sectors and retail. Crucially, these sectors are the ones with the forecast highest number of job openings. In parallel, the region is seeking to grow/attract 'higher value' sectors. Therefore, a skills plan must be able to support all sectors of the regional economy.</p>		<p>All employers have improved access to required skills and talent – fewer skills shortages. New higher value sectors/ employers locate or expand in the region. Closer fit between supply of, and demand for skills and talent.</p>	
Action	Lead organisation(s)	Strategic linkages	Timescales
<p>2.1 Develop a regional approach to labour market intelligence sharing in order to:</p> <ul style="list-style-type: none"> - agree skills priorities at a regional level - review the map of skills provision and agree how best to respond to these to ensure future skills alignment - agree investment decisions to meet the region's skills needs - ensure that career and qualifications options for young people are based on a firm evidence base - monitor and evaluate outcomes achieved. This RSIP has identified the current baseline and this should help partners to establish a smaller number of key performance indicators (KPIs) against which progress can be measured. 	<p>Borders and Dumfries and Galloway College/Scottish Funding Council</p>	<p>SOSEP Analytical working group and establishment of economic baseline for the region</p> <p>Regional Skills Assessment (RSA) data published by Skills Development Scotland can assist with prioritisation and decision making.</p> <p>Scottish Funding Council college and university data and Regional Outcome Agreements</p> <p>Schools, colleges and universities reviewing and amending curriculum in light of data</p> <p>CPPs and relevant sub-groups to agree local level priorities and key actions</p>	<p>Establishing process should be an early priority for 2019</p>
<p>2.2 Better co-ordinate activities and funding across agencies to meet the needs of the region's employers, by streamlining key information, addressing specific skills challenges and helping businesses to grow their own talent.</p>	<p>SOSEP Business Support Theme group/SOSE</p>	<p>Link to Scottish Enterprise and Business Gateway offering Skills Development Scotland SOSEP projects</p> <p>Colleges and universities</p>	<p>2019-22</p>
<p>2.3 Explore the potential for a shared apprenticeship approach to help small and micro employers to take on an apprentice and SME sponsorship model for Foundation Apprentices</p>	<p>Skills Development Scotland/ SOSE</p>	<p>Skills Development Scotland Scottish Government</p> <p>Links to best practice from other shared apprenticeship pilots (Angus and Highland)</p>	<p>2019/20</p>

Rationale		Impact	
Action	Lead organisation(s)	Strategic linkages	Timescales
<p>2.4 Deliver a series of actions for the South of Scotland's key sectors, building on the SOSEP work plan (health/ social care; tourism; retail; education; construction; manufacturing; textiles; agriculture and land based sectors)</p>	<p>SOSEP Key sectors theme group/SOSE</p>	<p>Workforce development plans of key employers (NHS/ Councils)</p> <p>Link to Skills Development Scotland sector delivery action plans and Skills Investment Plans</p> <p>Current and emerging SOSEP projects (e.g. textiles skills centre, tourism strategy and action plan)</p>	<p>Ongoing through 2019-22</p> <p>Textiles and tourism review work underway</p>
<p>2.5 Ensure current and emerging skills initiatives in the region align with skills evidence base and RSIP actions (e.g. Skills action plan for rural areas projects; Edinburgh and South-East Scotland City Region Deal projects)</p>	<p>SOSEP Education and Skills theme group/SOSE</p>	<p>SOSEP work plan and projects</p> <p>Future SOSE priorities/ projects</p> <p>Edinburgh and South-East Scotland (IRES) programme – Scottish Borders area only</p> <p>Skills action plan for rural areas projects</p>	<p>Ongoing responses required as new projects develop</p> <p>Long term (2019-22)</p>
<p>2.6 Identify, develop and deliver enhanced management and leadership skills training with focus on small and micro employers</p>	<p>Scottish Enterprise/SOSEP</p>	<p>Current management and leadership programmes delivered through colleges/ universities and Scottish Enterprise</p>	<p>2020-22</p>



Area of action 3: Growing and developing the workforce

Rationale		Impact	
<p>The demographic analysis clearly shows that the future scale of the potential workforce will decline and there is a need to maximise and develop all potential talent across the wider population.</p> <p>Economic growth is a key goal and there is a clear need to improve the skills of the current workforce to support improvements in productivity and output.</p>		<p>Increased size and capacity of regional labour pool. Improved equalities outcomes. Support for inclusive growth agenda. Higher value jobs/ Increased wages.</p>	
Action	Lead organisation(s)	Strategic linkages	Timescales
3.1 Develop initiative(s) to support older people to return to/ remain in the workforce, focusing on job re-design, up-skilling and implementing best practice.	SDS/SOSEP Education and Skills theme group	Link to older age support groups/third sector groups Equalities and inclusion agenda Community Learning and Development provision Skills Development Scotland all-age careers service	2019/20
3.2 Develop/ enhance support to increase participation of marginalised/ lower participation groups (e.g. those with learning disabilities, mental health issues or care-experienced young people) *	Local authorities/third sector/ Skills Development Scotland	Link to employability strategy and DYW activity Equalities and inclusion agenda Inclusive Growth framework	2019/20
3.3 Develop a regional talent attraction, retention and return programme to highlight job opportunities, inward investment opportunities, housing affordability/quality of life and cultural offer	SOSEP/Local authorities	Link to 'Scotland is Now' agenda Brexit implications for certain sectors (e.g. health and social care; hospitality; tourism; land based sectors) Best practice from other countries	Agree campaign in 2019 and launch in 2020
3.4 Promotion of workforce development, work based learning and up-skilling options to local employers with links to support.	Skills Development Scotland	Link to economic development strategies Centre for Work-Based Learning Apprenticeship family	2019/20
3.5 Developing and enhancing regional digital skills and promotion of digital career pathways. This includes: – one year digital up-skilling pilot to build digital skills in the existing workforce, focusing on skills that can boost business productivity	Skills Development Scotland/ Local authorities (Education)	Scottish Government digital agenda Digital Technologies Skills Investment Plan Our Skillsforce My World of Work	2020/21

Rationale		Impact	
Action	Lead organisation(s)	Strategic linkages	Timescales
3.6 Develop a small number of pilot projects to tackle the transport-related barriers (e.g. transport subsidies; community transport delivered by key partners; demand responsive transport systems; flexible working to tie into bus/train schedules etc) *	Local authorities/SOSEP/SOSE	Link to local transport strategies Edinburgh and South-East Scotland City Region Deal IRES barriers to transport project – Scottish Borders only	Proposal to be submitted for action by end 2020



Area of action 4: A region for young people

Rationale		Impact	
<p>The number of young people in the region is declining because of demographic changes, with a sizeable number choosing to move out of the area for post- school education.</p> <p>There is a clear need to clearly present regional employment opportunities so they can make an informed choice to stay or return to the region.</p> <p>There is also a need to ensure they are fully aware of the different education and training options available in the region.</p>		<p>More young people have the information about actual opportunities to help them make an informed choice to stay in or return to the region.</p> <p>More young people taking up local post-school education opportunities.</p> <p>More young people taking up employment and apprenticeship and work-based learning opportunities with local employers.</p>	
Action	Lead organisation(s)	Strategic linkages	Timescales
4.1 Programme to ensure awareness of the widest range of employment and education opportunities and pathways (focusing on STEM), which raises aspirations amongst pupils, parents and teachers and which supports inclusion of under-represented and vulnerable individuals *	Skills Development Scotland/ DYW/STEM Hubs	Engage with teachers/ parents/ pastoral care staff My World of Work Planning for Your Future Link to SOSEP projects Labour Market Toolkit development	2019-21
4.2 Increase reach and uptake of work-based learning and apprenticeship opportunities (Modern Apprenticeships, Foundation Apprenticeships and Graduate Apprenticeships), based on demand led data, and enable marginalised or under-represented individuals to access these opportunities *	Skills Development Scotland	DYW activity Scottish Government targets for expanding the number of apprenticeships Education curriculum working groups Best practice from Western Isles model Work based learning symposium in south of Scotland and joint activities to support uptake of WBL pathways	2019-21
4.3 Pilot two-year Graduate Attraction Project to implement a paid graduate trainee programme across the region (two cohorts of graduates on paid projects of 6-12 months duration)	Local authorities	DYW activity ScotGrad	2019/20

Rationale		Impact	
Action	Lead organisation(s)	Strategic linkages	Timescales
4.4 Provide coherent progression routes at three transition points* (school to college/university; school to work; college/university to work).	Colleges/universities and schools	DYW Groups Key sectors Regional Outcome Agreements My World of Work DYW groups' work plan Crichton Campus development plan Borders College operational plan 'Get That Degree' project Universities' operational plans	2020-22
4.5 Explore the options for increasing the range of HE branded provision that is identified and commissioned in the south of Scotland, and scope appropriate delivery models within a rural context	Colleges/universities	Crichton Campus development plan Borders College operational plan Universities' operational plans Regional Outcome Agreements	2020-22
4.6 Gather data on people who leave the region, and develop a range of options to retain contact with students who leave the area but may return in the future	Colleges/universities	Link to talent attraction and return initiative	Proposal by end March 2020 and implementation by end March 2021



Area of action 5: Creating a culture of enterprise and innovation

Rationale		Impact	
<p>There are strong ambitions in the South of Scotland to grow the region's economy. An expanded workforce will contribute to this but there is also a requirement to focus on output and productivity. Enterprise and innovation skills are key drivers in achieving growth.</p>		<p>Increased enterprise activity across the region. Employers embracing new technology to increase their output and productivity. Increase in local earnings and value added.</p>	
Action	Lead organisation(s)	Strategic linkages	Timescales
5.1 Feasibility study for a programme of support for key sectors to develop and embed innovation skills, with a focus on SMEs and micro employers	SOSEP/SOSE	Scotland CAN DO Skills and Learning Network Local authorities' economic strategies	2020/21
5.2 Develop a proposal and pilot programme to embed enterprise entrepreneurial skills within the education curriculum/sector	DYW/local authorities (education)	Opportunity to link to other similar initiatives such as Young Enterprise DYW workplan Local authorities – link to education/Curriculum for Excellence Curriculum/senior phase working groups	Early 2020 onwards
5.3 Explore feasibility for Centre for Rural Entrepreneurship †	SRUC	Rural Skills development work Economic strategies Borderlands	Agree campaign in 2019 and launch in 2020
5.4 Deliver Rural Skills and Entrepreneurship (forestry, agriculture and horticulture) project † to develop a network of rural skills facilities with a centre at SRUC Barony Campus and provide two mobile learning centres to assist with delivery of Rural Skills National 4 and 5.	SRUC	Link to Business Gateway and enterprise activity Opportunity for pilot project	2019/20

Area of action 6: Future proofing the skills system

Rationale		Impact	
<p>It is clear from the research that there is a need to better understand the ongoing needs of employers in the region to be able to design a targeted response.</p> <p>This will require information and understanding as well as systems and structures which are able to react to future challenges and opportunities.</p>		<p>Skills system better aligned to the needs of employers. Availability and effective use of high quality and current LMI to inform skills investment decision making. Employer skills needs are better understood and addressed.</p>	
Action	Lead organisation(s)	Strategic linkages	Timescales
6.1 Identify and implement new approaches to identify key skills issues from employers – Regular employer skills interviews/business panel approach (similar to HIE model) – Engagement events – Links to sectoral activity undertaken by Skills Development Scotland with employers in the region	SOSEP/SOSE	Link to existing employer data from UK Commission for Employment and Skills Surveys; Skills Development Scotland sector skills investment plans; RSA data; other reports from partner organisations	Specification by end March 2020, with baseline report by end March 2021
6.2 Explore the feasibility of a south of Scotland Annual Skills event/ conference to discuss key skills challenges and agree a collective response to these. The conferences can also be used to discuss progress and provide additional areas of action for key partners in the region.	SOSEP/SOSE/Skills Development Scotland	Cross cutting and building on wider engagement across all skills activity in region	First conference to be delivered during 2020
6.3 Complete a review of implications following final decision on Brexit in terms of: – impact on skills shortages and gaps in the region – impact on the RSIP actions, and identification of additional activity areas – impact on provision across the region	Skills Development Scotland/SOSEP/SFC	Link to RSIP actions, workforce planning and future interventions Link to actions in sectoral skills investment plans	2019/20
6.4 Establish process for measuring the effectiveness, responsiveness, agility and economic impact of the skills system through regular performance reviews	Skills Development Scotland/SFC	Cross cutting and building on wider engagement across all skills activity in region	Process to be agreed by end March 2020 and first annual review to be completed by end March 2021

Cross cutting theme – equalities

This section links closely to and builds on Skills Development Scotland's Equalities Action Plan for Modern Apprenticeships in Scotland



Supporting actions	Lead organisation(s)	Rationale	Impact
1.1 Establish targets for participation of young disabled people, and those from BME communities and care-experienced young people on Modern Apprenticeship programmes, address gender imbalances, and demonstrate positive actions including a review of recruitment methods, identifying and removing barriers and embedding support measures.	SOSEP/SOSE	Improved representation from all under-represented groups on Modern Apprenticeship programmes.	Specification by end 2019 with baseline report by end 2020
1.2 Establish targets for participation of young disabled people and those from BME communities and care-experienced young people on Foundation Apprenticeships, Graduate Apprenticeships and work-based learning pathways, address gender imbalances, and agree positive actions (as outlined in 1.1 above).	Schools/colleges & universities/Skills Development Scotland	Improved representation and progression into work-based learning career choices for those from under-represented groups in senior school phase.	First conference to be delivered during 2020
1.3 Link to Skills Development Scotland's national programme of employer engagement to share information around the benefits of diversity, technical support around taking positive action and signposting of recruitment incentives.	DYW/Skills Development Scotland	Improved capacity across employers to embrace and embed positive action recruitment practices.	Ongoing from June 2019
1.4 Work with a wide range of partners to support the inclusion of tackling inequalities in local and regional economic development activities.	Skills Development Scotland/SOSEP/SOSE	Cross cutting and building on wider engagement across all skills activity in region.	Ongoing from June 2019

Supporting actions	Lead organisation(s)	Rationale	Impact
1.5 Support school interventions to challenge gender stereotypes in key sectors and address gender under-representation in STEM and care sectors.	Schools/DYW/Skills Development Scotland	Greater awareness of the range and benefits of STEM and care career opportunities amongst parents, teachers, careers advisers and young people from under-represented groups.	Ongoing from June 2019
1.6 Support the delivery of focused marketing campaigns for apprenticeships and work-based learning pathways to people from different ethnic backgrounds.	Skills Development Scotland	Increased number of applications for work-based learning and apprenticeship places from those from BME communities, care-experienced young people, disabled young people, and in sectors where there are gender imbalances.	Ongoing from autumn 2019
1.7 Engage with education and skills providers to encourage them to recruit and support those from BME communities, care experienced young people, young disabled people and address gender inequality.	Skills Development Scotland/DYW	Skills Development Scotland's NTP Equalities team will support training providers in the south of Scotland to better equip them to take on young people from different backgrounds and under-represented groups.	Ongoing from autumn 2019

8 Governance

It is critically important that a strategic group is established and has the necessary authority to oversee the delivery of the RSIP.

These proposals have been developed within the existing SOSEP governance structures, through the SOSEP Education and Skills theme group. Consideration should be given to whether this group should also oversee the delivery and review of the RSIP.

The strategic group will be responsible for:

- ensuring that the RSIP's vision, strategic outcomes and actions are delivered
- helping to secure the resources required to deliver the actions
- recommending requests for funding from partners against the agreed action plan to the SOSEP strategic board or its equivalent under SOSE
- establishing a review process based on the monitoring plan that will assess progress towards the RSIP's vision and strategic outcomes and implement any required changes to the plan
- agree any changes to the RSIP including any new outcomes or action areas
- resolving any major problems or respond to any major opportunities that could affect the delivery of the RSIP.



In 2017/18 there were a total of 1,379 Modern Apprenticeship starts in the south of Scotland



Appendix 1: Stakeholder consultees

Organisations and partnerships consulted

Borders College	South of Scotland Economic Partnership
Borders Learning and Skills Partnership	Scottish Borders Council
Borders Social Enterprise Chamber	Scottish Enterprise
Crichton Campus Leadership Group	Scottish Funding Council
Department for Work and Pensions	Scotland's Rural College
Developing the Young Workforce Groups	Scottish Rural Action
Dumfries and Galloway Council	Skills Development Scotland
Dumfries and Galloway College	University of Glasgow
Highlands and Islands Enterprise	University of the West of Scotland
Open University	VisitScotland

Note: there were multiple consultees in most of these organisations as per the agreed list

Education sector and students

Galashiels Academy	Stranraer Academy
Hawick High School	Borders College
Jedburgh Grammar School	Dumfries and Galloway College
Lockerbie Academy	Scotland's Rural College
Moffat Academy	

Organisations and partnerships consulted

SPN Energy	Farries Kirk and McVean
Dumfries and Galloway Chamber of Commerce	Holiday Inn (Dumfries)
JAS P Wilson	JAS P Wilson
D&G Engineering and Manufacturing Forum	Kellwood Engineering
Prosperity Financial Advisors	Robinsons Scotland
Chair of Dumfries and Galloway College	Border Engineering Training Association
Inforgen	Emtelle UK Ltd
Johnstons of Elgin	The L.S. Starrett Company Ltd
Mainetti	Dupont Tejin Films UK Ltd.
Plexus	William Waugh Building Contractors
VisitScotland	Johnson Matthey
Live Borders	Gled Park
NHS Borders	

Note: For a few organisations we engaged with more than one representative



Availability of recreational and social opportunities are seen as key to encouraging people to stay in, or return to the region

Appendix 2: Sub-regional geographies

Table A.2: Central Towns Intermediate Zones

2001	2011
Cheviot East	Cheviot West
Cheviot West	Coldstream and Area
Coldstream and Area	Denholm and
Ettrick, Yarrow and Yair	Hermitage
Newcastleton and	Ettrick Yarrow and
Teviot area	Liliesleaf Area
St Boswells and	St Boswells and
Newton Area	Newton Area
Cheviot East	

Table A.2: Central Towns Intermediate Zones

2001	2011
Burnfoot and area	Burnfoot
Duns	Duns
Galashiels North	Galashiels North
Galashiels South	Galashiels South
Galashiels West	Galashiels West
Hawick Central	Hawick Central
Hawick North	Hawick North
Hawick West End	Hawick West
Jedburgh	Jedburgh
Kelso North	Kelso North
Kelso South	Kelso South
Langlee	Langlee
Melrose and	Melrose and
Tweedbank Area	Tweedbank Area
Peebles North	Peebles North
Peebles South	Peebles South
Selkirk	Selkirk

Table A.3: Eastern Coastal Scottish Borders Intermediate Zones

2001	2011
Berwickshire East	Berwickshire East
Berwickshire Central	Chirnside and Area
Eyemouth	Eyemouth

Table A.4: North Border Intermediate Zones

2001	2011
Berwickshire West	Berwickshire Central
Earlston, Lauder and Stow area	Earlston Stow and Cloverfords Area
Innerleithen and Walkerburn area	Lauder and Area
West Linton and Broughton area	Tweeddale East Area
	Tweeddale West Area

Coastal D&G Intermediate Zones

2001	2011
Moors	Castle Douglas
Castle Douglas	Dalbeattie
Dalbeattie	Dalbeattie Rural
Portpatrick	Gatehouse
Machars South	Kingholm
Stranraer West	Kirkcudbright
Stranraer Central	Machars North
Cree Valley	Machars South
Fleet	New Abbey
Kirkcudbright	Newton Stewart
New Abbey	Rhins North
Kirkmaiden	Rhins South
	Stranraer East
	Stranraer South
	Stranraer West

Eastern D&G Intermediate Zones

2001	2011
Annan South	Annan East
Annan North	Annan West
Gretna and Eastriggs	Annandale East
Moffat and Eskdalemuir	Annandale West
Lockerbie and Mid	Eastriggs
Annandale	Gretna
Langholm and	Langholm and Eskdale
Canonbie	Lochmaben
Boreland and	Lockerbie
Ecclefechan	Moffat

Table A.7: Greater Dumfries Intermediate Zones

2001	2011
Georgetown	Collin
Lower Annandale and South East Dumfries	Dumfries Central
Rotchell and Rosefield	Georgetown
Dumfries South	Heathhall
Dumfries West	Locharbriggs
Lower Nithsdale	Lochside and Lincluden
Locharbriggs	Mid Nithsdale
Lincluden and Lochside	Nunholm
Lochmaben and	Shawhead
Parkgate	Summerville
Dumfries East	Troqueer
Catherinefield	
Nithside and Nunholm	
Summerville	
Calside	

Table A.8: North & Rural D&G Intermediate Zones

2001	2011
Crocketford and Carsphairn	Glenkens
Upper Nithsdale	Thornhill
Mid Nithsdale	Upper Nithsdale

