Acknowledgement

The Regional Skills Assessment Steering Group (Skills Development Scotland, Scottish Enterprise, the Scottish Funding Council and the Scottish Local Authorities Economic Development Group) would like to thank Ekosgen for their highly professional support in the analysis and collation of the data that forms the basis of this Skills Assessment Update.
Contents

Introduction 3
  What is this report? 3
  What has changed since 2014? 3
  The Fife RSA 3

Selected headline indicator changes 4

1 Economic performance 5
  Headline summary 5
  Gross Value Added (GVA) 5
  Productivity 5
  Earnings 5
  Business Base 6
  Infrastructure 7

2 Profile of the workforce 7
  Headline summary 7
  Total employment 7
  Employment structure by industry 8
  Occupational profile 9

3 People and skills Supply 10
  Headline summary 10
  Population 10
  Labour market participation 10
  Qualifications and attainment 11

4 Deprivation 12
  Headline summary 12
  Key messages 12

5 Education and training provision 13
  Headline summary 13
  Modern Apprenticeships (MAs) 13

6 Skills mismatches 15
  Headline summary 15

7 Looking forward 17
  Headline summary 17
  Population projections 17
  Education provision projections 17
  Employment projections 17

8 Conclusions and considerations 18
Introduction

What is this report?
This is the 2015 summary Regional Skills Assessment (RSA) for Fife. It has been developed by Skills Development Scotland (SDS) in partnership with Scottish Enterprise (SE), the Scottish Funding Council (SFC) and the Scottish Local Authorities Economic Development (SLAED) Group. It updates the 2014 RSA evidence base with the latest data, refreshing and developing what this means for skills investment planning.

The 2015 RSA areas now align with Regional Outcome Agreement areas. As part of this realignment, the regional footprint for some RSAs remains unchanged (which applies to the Fife RSA here), whilst for others, there has been some change. The update is therefore designed to support the SFC and Regional Colleges in negotiating Regional Outcome Agreements. The update also supports SDS in planning its provision for individuals and businesses, whilst also helping regional partners with their skills investment planning.

The 2015 series of update reports highlight some of the key messages for the regions. They are summary reports, underpinned by the full data matrix, available at sds.co.uk/what-we-do/partnerships/regional-skills-assessments/. The data matrix has been redesigned to be more user-friendly, and accompanying guidance on how to use the matrix can be found alongside the full data matrix.

What has changed since 2014?
The economic situation in Scotland has continued to improve in the last year, and the recovery evident at the time of the last RSA is more firmly established, with rising GVA and falling unemployment. Against many indicators, Scotland has returned to pre-recession levels. There continues to be a rise in the participation of women and older workers, and youth unemployment previously apparent has started to fall. Still, underemployment remains an issue and productivity growth in Scotland (and the UK) remains weak and largely consumer-driven.

In policy terms, a new Economic Strategy for Scotland is in place. This puts the 4 ‘I’s – Internationalisation, Investment, Innovation and Inclusive Growth – as central to the strategy. Increasing exports continues to be a key policy objective, and the prominence of Inclusive Growth reflects the desire for a re-balancing form of economic growth. Innovation, including workplace innovation, continues to be highly important. Investment continues to be necessary for firms to be successful. Existing strategies and policies also remain important, including the 2010 Skills Strategy and the 2014 Developing the Young Workforce - Scotland’s Youth Employment Strategy.

The 2015 RSA update seeks to reflect some of these policy developments. For the first time the data matrix includes deprivation indicators, and there is greater attention paid to inequality issues such as age, disability and gender indicators. There is also more detail on school-level provision, migration, travel to work/study, claimant counts and employment projections.

The Fife RSA
This 2015 RSA update covers the geographic area of Fife, which is coterminous with the local authority area.
## Selected headline indicator changes

<table>
<thead>
<tr>
<th>Economic performance</th>
<th>2014 RSA</th>
<th>2015 RSA</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Value Added (GVA) (£m)</td>
<td>£5,243 (2012)</td>
<td>£5,529 (2013)</td>
<td>+5.5%</td>
</tr>
<tr>
<td>GVA per worker</td>
<td>£30,100 (2012)</td>
<td>£33,200 (2013)</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Number of businesses</td>
<td>10,600 (2013)</td>
<td>10,720 (2014)</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Business births per 10,000</td>
<td>25 (2012)</td>
<td>33 (2013)</td>
<td>+32.0%</td>
</tr>
<tr>
<td>BERD per head</td>
<td>£85 (2012)</td>
<td>£74 (2013)</td>
<td>-12.9%</td>
</tr>
</tbody>
</table>

| Total employment                             | 126,300 (2013) | 135,800 (2014) | +7.5%    |
| Professional occupations                     | 30,400 (2013) | 28,400 (2014) | -6.6%    |

| Profile of the workforce                     |           |           |         |
| Total population                             | 366,900 (2013) | 367,300 (2014) | +0.1%    |
| ILO unemployed                               | 14,400 (2013/14) | 11,900 (2014/15) | -17.4%   |
| 16-24 unemployed                             | 2,036 (Sep 2015) | 1,590 (Sep 2015) | -21.9%   |
| 18-24 unemployed (claimants)                 | 2,180 (Aug 2014) | 1,655 (Aug 2015) | -24.1%   |

| Deprivation                                  |           |           |         |
| Workless households                          | 26,465 (2012) | 22,620 (2013) | -14.5%   |
| % of children with free school meals         | -         | 41% (2015) | n/a      |

| Education and training                       |           |           |         |
| MA starts                                    | 1,930 (2013/14) | 1,570 (2014/15) | -18.7%   |
| MA achievements as % of all leavers          | 78% (2013/14) | 75% (2014/15) | -3%      |
| Employability Fund starts                    | -         | 1,395 (2014/15) | -        |
| College provision (headcount)                | 18,200 (2012/13) | 19,695 (2013/14) | +8.2%    |
| College provision of HE                      | 23% (2012/13) | 20% (2013/14) | -3%      |
| Total Higher Education students              | 10,310 (2012/13) | 10,879 (2013/14) | +5.5%    |

| Skills mismatches                            |           |           |         |
| % of employers reporting hard to fill vacancies | 7% (2014) | (next updated 2016) | n/a      |
| % of employers reporting skills shortage vacancies | 6% (2014) | (next updated 2016) | n/a      |
1 Economic performance

Headline summary

- GVA increased by 6% in the region between 2012 and 2013, higher than the Scotland and UK averages. In 2013, this represented 5% of the national output total, largely due to the production sector.
- Productivity levels remain below the Scotland and UK averages, although they have increased in line with the national rate in recent years.
- Workplace earnings in Fife remain below Scottish and UK averages, although the gap is narrowing. Residence-based earnings are higher, reflecting commuting to Edinburgh.
- The business base continued to grow but at a modest rate and far lower than nationally. The largest sectors are professional, scientific and technical, retail and construction.
- Business Expenditure on Research and Development (BERD) per head continues to be around half of the Scottish average.

Gross Value Added (GVA)

GVA (output) in Fife continued to grow to 2013, accounting for 5% of Scotland’s total output, the same as the previous year, although two percentage points lower than the region’s share of national population. The production sector dominates regional output, accounting for nearly £2 in each £5 of total GVA.

The growth rate from 2012 to 2013 (latest data) continued at 6%, higher than the Scotland and UK averages, although annual average growth rate from 2010 to 2013 was 2%.

Productivity

Levels of productivity in Fife are below the Scottish and UK averages, although they have increased in recent years with the rise in total GVA. GVA per worker as a measure of productivity in the region was £33,200 in 2013, higher than £31,400 in 2012, but 29% lower than the Scottish average of £47,000 and 35% below the UK average of £51,000. GVA per worker in Fife increased by 18% between 2006 and 2013, in line with the 18% growth in Scotland and 17% for the UK.

Earnings

Most recent (2014) data shows that jobs in Fife, at £479 per week, pay below the Scottish average of £519 and the UK average of £518. However, the gap is narrowing. Since 2013, these median full time worker earnings in the workplace have increased by 4% in Fife, higher than 2% across Scotland.

However, those living in Fife earn more - £516 per week – than those solely working in Fife, reflecting that many in the region commute to better-paid jobs in Edinburgh. Median residence-based full time earnings are in line with the Scottish average.
Business base

There were 10,720 VAT/PAYE registered businesses in 2014, up 1.6% between 2013 and 2014, although lower than the 2.8% increase across Scotland.

The base has grown since 2010, but by just 1%, which is lower than the 5% increase in Scotland and 6% rise across the UK.

Professional, scientific and technical businesses accounted for 14% of all businesses in 2014, marginally lower than the Scotland proportion, but higher than the 13% in 2013. As with Scotland, retail and construction are the next two sectors with the largest number of businesses. Fife’s business base profile mirrors that for Scotland, with the exception of fewer agricultural, forestry and fishing businesses.

<table>
<thead>
<tr>
<th>Business base by sector</th>
<th>Fife</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, scientific &amp; technical</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Retail</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Construction</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Arts, entertainment, other services</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Health</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Production</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Business admin &amp; support</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Information &amp; communication</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Motor trades</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Property</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Public admin &amp; defence</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,720</strong></td>
<td><strong>203,760</strong></td>
</tr>
</tbody>
</table>

Source: UK Business Counts

The profile of businesses by size remains similar to Scotland, where 80% of registered businesses in Fife are micro firms employing fewer than 10 people. 3% employ more than 50, lower than the 4% in Scotland. In 2014, there were 50 businesses in Fife employing more than 250. There were 1,210 business births in 2013; 33 per 10,000 population, an increase on the previous year but still below the Scottish average of 40 per 10,000.

Levels of Business Expenditure on R&D (BERD) continue to be below the national average – at £74 per head compared to £150 per head nationally. There are 114 Scottish Enterprise account managed companies, up from 101 a year previously, which is 5% of the lowland Scotland total (and in line with its share of businesses).
Skills Assessment 2015 Update: Fife

Infrastructure

There are some major planned developments in the region over the coming years. The current Forth Replacement Crossing project is expected to provide up to 1,200 job opportunities, and is still on track to be completed in 2016.

2 Profile of the workforce

Headline summary

- Total employment has increased from 2012, at an increasing rate between 2013 and 2014, and at a rate above the Scottish average.
- The health and production sectors dominate the employment base, with over 24,000 jobs and 18,000 jobs respectively.
- There was significant employment growth in tertiary education, and also in social work and restaurants, between 2012 and 2014, and a decline in cleaning and banking.
- The number and proportion employed in professional and associate professional and technical jobs is lower than the Scotland average, and decreased between 2013 and 2014.
- The employment growth has been in lower skilled occupations, including caring, leisure, sales and customer services, operatives and elementary occupations.

Total employment

This RSA update provides new employment data for 2013 and 2014. **Total employment from 2012 to 2014 increased by 9,500 to 135,800** – and at 7.0% this was a rate well above the Scotland average of 4.6% – with the rate of growth increasing slightly between 2013 and 2014.
Employment structure by industry

In the main, the employment by industry sector mirrors the business base. However, employment in the production sector is much higher than its proportion of the business base, reflecting a small number of large employers in the sector. Some 14%, or 18,400, are employed in the production sector, and this is above the Scotland and Great Britain proportions of 10% and 9%. Conversely, the professional, scientific and technical sector has a much higher proportion of the business base (16%) than the proportion of all jobs (5%).

The region continues to have a high employment concentration in a number of sectors including public administration and defence, production, arts and entertainment, education and retail. All are large employment sectors. At 18%, employment in the health sector increased at twice the Scotland rate of increase 2013-2014. Health (24,100), production (18,400) and retail (15,700) remain the largest employment sectors.

<table>
<thead>
<tr>
<th>Fife Region sector specialisation (2014)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public administration &amp; defence</td>
<td>142%</td>
</tr>
<tr>
<td>Production</td>
<td>132%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation &amp; other services</td>
<td>118%</td>
</tr>
<tr>
<td>Education</td>
<td>116%</td>
</tr>
<tr>
<td>Retail</td>
<td>116%</td>
</tr>
<tr>
<td>Health</td>
<td>110%</td>
</tr>
<tr>
<td>Motor trades</td>
<td>109%</td>
</tr>
<tr>
<td>Information &amp; communication</td>
<td>108%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>107%</td>
</tr>
</tbody>
</table>

Source: Business Register and Employment Survey

The 2014 RSA identifies the top 20 sectors in 2012 (of 616 sectors). The key changes over the 2012-2014 period was a large expansion of tertiary education employment, an increase of 1,500 jobs, and the continued growth of employment in social work and restaurants. Cleaning fell by 700 jobs and monetary intermediation (banking) by over 600 jobs. The key changes over the two years were:

- Tertiary education (+65%)
- General cleaning of buildings (-40%)
- Other social work activities (+57%)
- Other monetary intermediation (-21%)
- Restaurants (+25%)
- Activities of sports clubs (-21%)

In 2013, there were 27,900 jobs in the Scottish Government identified growth sectors in the region, the majority being in Sustainable tourism (10,400) and Financial and business services (7,100). However, the region is under-represented in all growth sectors¹, particularly so in Energy (63%) and Financial and business services (62%).

¹ Data for the Life sciences sector was unavailable.
£15.2m of Regional Selective Assistance was awarded to businesses in the region between 2011 and 2014, 9% of the national total, higher than the region’s share of the national business base (5%). Key recipient sectors were Energy (£6.6m), Food and drink (£2.1m), and Digital media and enabling technologies (£1.2m). These grants are estimated to have created/safeguarded some 2,440 jobs in the region.

**Occupational profile**

The occupational profile in Fife is fairly similar to that of Scotland. However, a smaller share of the workforce were employed in the professional occupations in 2014, 17% (or 28,400) compared to 20% nationally. However, this is lower than both the number (30,400) and proportion (18%) of Professional Occupations in 2013. This suggests that the region may have a greater proportion of lower skilled jobs. Some 22,800 are employed in elementary occupations and 20,200 in sales and customer service, larger than the Scotland proportions.

**Occupational Profile, 2014**

*Source: Annual Population Survey*

Between 2013 and 2014, the growth in jobs has been in care, customer service and lower skilled occupations. There was a proportionate and absolute increase in employment in caring, leisure and other services (+2,300 jobs), sales and customer services (+3,200 jobs), operatives (+2,600 jobs) and in elementary occupations (+2,400). The previous RSA indicated that Fife residents were more likely to be employed in skilled trades, although the proportion in these professions fell back to national level between 2013 and 2014.
3 People and skills supply

Headline summary

• The population has grown modestly, at a slower pace than the Scotland rate over the last decade (and over the last year). It is also ageing faster than the Scotland average.
• The employment rate has returned to the Scotland average, after sharp recession-related decline.
• The ILO unemployment fell between 2012/13 and 2014/15 but remains above the Scotland average. However, the number of young people claimants has fallen to well below 2013 levels.
• The proportion of school leavers entering Higher Education has risen. The workforce overall have higher high level qualifications compared to Scotland and the UK, partly as a result of those commuting to Edinburgh.

Population

The Fife population has continued to grow in recent years although at a slower rate than for Scotland and UK. The rate of increase between 2013 and 2014 was 0.1%, lower than for Scotland (0.4%) and the UK (0.8%). The 2014 population, at an estimated 367,300 was 4% higher than 2004, compared to 5% growth in Scotland and 8% growth in the UK over the same period.

The largest increases have been those aged 65+ (of more than 22%), higher than the increase for this age group in Scotland of 17%, whilst there has also been a notable increase for 45-54 year-olds, on a par with nationally (16%). Additionally, there has been a 17% fall in the number of 35-44 year-olds, a greater decrease than at the Scotland level. There is a reasonable level of churn in the population and almost 15,000 have left the area over the 10 year period, although the rate of out-migration has slowed in recent years, whilst the population has increased modestly overall.

Labour market participation

The 2014/2015 employment rate increased by 2 percentage points to 73%. This is now in line with the Scottish average and back to the pre-recession levels of 2007/2008. Fife’s employment rate fell sharply following the recession but has now recovered well, although rates remain below 2004/05 levels.
Jobs in Fife are equally as likely to be part time positions as nationally. 74% of jobs in the region are full time posts, with 26% part time.

In 2013/2014 there were 14,400 ILO unemployed (those out of work and actively seeking work), and this decreased again to 11,900 in 2014/2015, continuing a downward trend, as in the case across Scotland and the UK. Nonetheless, at 7% in Fife, the ILO unemployment rate remains 1 percentage point higher than the 6% in Scotland and the UK.

In 2015 there were 1,590 unemployed young people 16 - 24 in the region, down by 22% from the previous year. There were 1,655 young people aged 18-24 out of work and claiming Jobseekers Allowance (as of August 2015). There were also 1,290 young people described as Not in Employment, Education or Training in 2014. This has fallen by 34% since 2010, in line with the Scottish average. The Fife rate at 7% is still, however, higher than the 6.4% average across Scotland.

16% of all those aged 16-64 in Fife are work-limited through disability, higher than the 15% in Scotland and the UK. This indicates that some 36,500 people in the region are work-limited through disability.

The Fife labour market is not self-contained, and there are significant commuting flows into Edinburgh (and some flows are into Fife). Some 16% travel more than 20km (largely to Edinburgh) compared to 14% travelling this distance nationally. Correspondingly, a lower proportions work locally. 29% travel less than 5km (32% nationally).

Qualifications and attainment

There was a decrease in the proportion of school leavers from Fife entering Higher Education in 2014/2015, 34% of the total, down from 37% in 2013/2014. The 34% entering Further Education has increased on previous years. Almost one fifth third entered employment, and this too has remained constant. The proportion unemployed (seeking or otherwise) continues to fall, to 7% in 2014/2015 (from 10% the previous year, and 11% in 2011/2012).

5% of those aged 16-64 years in Fife have no qualifications; in Scotland and the UK this is 9%. Slightly more have lower level of qualifications – 13%, compared to 10% in Scotland and 12% in the UK. A similar proportion to nationally have high level qualifications (at SCQF 7-12) at 40%, where it is 41% in Scotland and 36% in the UK. This reflects more qualified workers commuting to Edinburgh (given that a lower proportion of those employed in Fife are in professional occupations.
In terms of 16-24 year olds, just 2% have no qualifications in the region, compared with 7% of this age range in Scotland. In contrast, a larger proportion of young people have high level qualifications in the region than nationally – 28% versus 24%.

4 Deprivation

Headline summary

- Average household earnings throughout the region are slightly lower than nationally.
- There are some 22,260 workless households in the region.
- The proportion of school pupils entitled to free school meals is slightly higher than the Scotland average.

The 2015 data matrix includes data on deprivation for the first time. This affects both labour market supply and the skills support needs of individuals. On the whole, Fife is comparable to the national average, yet this masks some spatial disparities.

Key messages

A slightly higher proportion of households in Fife (14%) have average household earnings of less than £10,000 per year than the 13% average across Scotland.

A slightly lower proportion of households in Fife (30%) have incomes above £30,000, compared to 31% across Scotland.

18% of Fife households are workless households, compared to 20% in Scotland, and 17% in the UK. Still, this equates to some 22,260 workless households in the region (2013). This represents a decrease of 15% from 2012, a far greater fall than the 3% across Scotland.

The employment domain of the latest (2012) Scottish Index of Multiple Deprivation (SIMD) provides further information on employment deprivation. 14% of the region’s 453 datazones (65) are in the 15% most deprived datazones in Scotland. There are therefore significant concentrations of unemployment, such as parts of Dunfermline, Kirkcaldy and Cowdenbeath although these are slightly less widespread than in other parts of Scotland.
In all, 41% of those at school in Fife are entitled to free school meals, slightly above the national average of 39%.

5 Education and training provision

Headline summary

• The number of MA starts in the region fell in the last year, with hospitality, retail and business administration being the most popular frameworks.
• There were almost 20,000 FE students studying in Fife in 2013/14, an increase on the previous year, with care, engineering and hairdressing/beauty the most taken-up courses. 20% of these students were studying HE at college.
• Almost 11,000 students were studying at Higher Education Institutions in the region in 2013/14, a 5% rise from the previous year. The vast majority, 93%, were from outwith the region, reflecting the UK and international profile of the University of St Andrews.
• There were over 4,000 graduates from the region in 2013/14, higher than the previous year. Under half, 43%, of these went into full-time work and over one in 10 went into the education sector. More than a third went in to further study.

Modern Apprenticeships (MAs)

There were 1,570 SDS-funded MA starts in 2014/2015, which is a fall from the 1,930 in 2013/2014. 58% of these starts were male (slightly below the Scotland average of 60%) and just under a half of the starts were female (43%). There were 1,690 leavers in 2014/2015.

The most popular frameworks for starts were in hospitality (160), retail (155), business and administration (140), engineering (115) and social services and healthcare (100). This was closely followed by construction (building), food and drink operations, freight logistics and hairdressing and barbering, all of which had 80 starts. Some of these remain dominated by one gender or the other, including engineering (male) and business and administration (where 105 of the 140 starts were female). Social services and healthcare is also dominated by females. In hospitality and retail, there is an almost equal split between genders.

In all, 48% of MA starts in Fife in 2014/2015 were aged 16-19, which is lower than the average in Scotland which is 53%. 28% of MA starts in 2014/2015 were aged 20-24 which is broadly similar to that of the Scottish average.

Achievements were at 75% in 2014/2015, as a percentage of all leavers, which is slightly lower than the previous year at 78%, but marginally higher than the all Scotland average of 74%. The achievement rate has been between 74% and 78% over the past five years.
Skills Assessment 2015 Update: Fife

Employability Fund (EF)

The EF supports a range of interventions to support employability. There were 1,395 EF starts in 2014/2015. Over half (57%) were male, lower than the 63% in Scotland. 43% were female which is higher than the Scottish average of 37%. The age profile of EF starts is similar to the Scotland average (where 57% were aged 16-17 and 19% aged 25+).

There is high engagement with the Certificate of Work Readiness within Fife, with 340 starts (11% of the total in Scotland) on the Certificate of Work Readiness (CWR), the new national work placement and class-based Award. 165 employers are involved with the EF in Fife which is 14% of the total employers involved in Scotland.

Further/Higher Education provision

School provision

For the first time the data matrix provides information on school provision. There were 20,180 pupils enrolled at secondary school across the region in 2014. The school roll has fallen slightly since 2014 and is projected to fall until 2016 (by around 1%), before rising again in 2017. Across Scotland, the trend is for a 2% fall over the period to 2018.

College provision

College provision is via Fife College and the Elmwood campus of Scotland’s Rural College (SRUC). 80% of Fife residents who are at college study locally.

19,695 students (headcount) were studying at college in Fife in 2013/2014, the vast majority of which attend Fife College (18,630 students) which is an increase from 18,200 in 2012/2013. 80% of this was at FE level, 20% at HE level. 26% were from outside the region, up from the 23% in 2012/2013. A higher proportion than the national average are aged under 20 (as was previously the case) at 48%. As in 2012/13, a higher proportion aged 16-19 is enrolled on full time courses.

There is almost an equal split between the gender of the college students in the area (52% are male and 48% are female). Overall, 9% of students are from the most deprived 10% of the population, which is less than the figure for Scotland at 16%. This is above the region’s share of local datazones in the 10% most deprived datazones in Scotland (5%).

Care (14% of courses), Engineering (13%) and Hairdressing, Beauty and Complementary Therapies (12%) were those most taken up, all above the national average. Business management and administration (9%) was the next popular, although below the national figure of 10%.

University provision

In Fife, the University of St Andrews is the only Higher Education Institution with a campus, aside from SRUC. In all, 10,879 students (headcount) were studying at the two Higher Education Institutes (HEIs) in the region. This was an increase of 5% on the previous year, and there has been an overall increase in numbers since 2009/2010.
Skills Assessment 2015 Update: Fife

Of these, a small percentage (7%) was from within the region whereas 48% of students in Fife were from outside the UK, reflecting the international attraction of the University of St Andrews. In comparison to national statistics, a higher proportion of students are aged 16-19 at 32% (compared to 25%) and a lower proportion are aged over 25 (20% compared to 34%).

Overall, 44% of HEI students in the area are male, a similar proportion to nationally. Social Studies (20%), Historical and Philosophical Studies (15%), and Biological Studies (11%) were the most popular courses in 2013/14.

Graduates

There were 4,104 graduates in 2013/14, up from 3,870 in 2012/2013, although this remains 5% of all graduates from Scotland’s HEIs. This included 2,930 graduates with a first degree (71%), and a further 1,174 postgraduates (29%).

Six months after graduating, under half of graduates were in full time work (43%) less than the 61% nationally and less than the previous year, although 36% were undertaking further study (more than double the national average). 7% were in part time work and 6% were working and studying. Just 5% were unemployed, equal to the national graduate unemployment rate.

A large proportion of the industry within which Fife graduates are employed is unknown or not applicable (43%), however it is known that a substantial proportion are employed within the education sector (11%), marginally below the national proportion (14%), and in professional, scientific and technical activities (8%) Only 4% of Fife graduates were employed in human health and social work activities, 12 percentage points lower than the national average.

6 Skills mismatches

Headline summary

- Over seven in 10 employers in the region had recruited 2-3 years prior to the survey.
- FE/HE leavers in the region were deemed more work-ready by employers than the national average, and the same was true for school leavers.
- Employers were more likely to report vacancies than the Scottish average, including those hard to fill (double the national average) and skills shortages.
- Skills gaps are most likely in skilled trades, care and leisure, sales and customer services, operative and elementary occupations.

There is no new data on skills mismatches from last year’s RSA, given that the survey is undertaken every two years. The UKCES Employer Skills Survey does not provide data for Fife only and wider regional data for Edinburgh, Fife and the Lothians has been used in this section. The key messages to re-emphasise are:

72% of employers in Fife and the wider area had recruited in the 2-3 years prior to the survey, and 32% had taken on leavers from Scottish education institutions (both above the Scotland averages).
Of those recruiting leavers, 91% of those from universities were regarded as well or very well prepared for work, above the national average of 85%. School recruits were ranked the least prepared by employers with regards to work-readiness at 68%, although this was still above the national average of 65%, College recruits were ranked similarly to the national average for work-readiness.

Of those reported to be poorly prepared, the main reasons cited are a lack of world/ life experience, poor attitude or lack of motivation or lack of required skills or competencies.

The proportion of employers in the region that reported having at least one vacancy (18%) was higher than the national average of 15%. 7% reported that vacancies were hard to fill and 6% had a skills shortage vacancy. These shortages were slightly higher than the national averages.

Around a fifth of the employers within the region (21%) reported that not all of their staff are fully proficient, just above the average for Scotland of 19% - with skills gaps spread across skilled trades, care, leisure, sales and customer services, operatives and elementary occupations.

The region has a high concentration of employment in tourism. A Skills Investment Plan has been produced for this sector, highlighting a series of priority actions to address current and future skills gaps and shortages.

The Skills Investment Plans can be found here: sds.co.uk/publications-statistics/

7 Looking forward

Headline summary

- The population of the region is forecast to continue to rise, by almost 15,000 and 4% to 2024, similar to Scotland and UK growth rates.
- The greatest increases are forecast for those of retirement age, and school roll numbers are set to remain stable in the next five years, above the Scotland level.
- Employment growth is also forecast, of more than 5% to 2022, with the proportion growing fastest in information technology and health and social work.

Population projections

2012 based projections indicate that the population of Fife is forecast to grow by a further 14,837 over the 2014-2024 period, an increase of 4%. This compares to 5% growth at the UK level, and a 4% rise at the Scotland level.

The largest increases are expected in those of retirement age, where there is anticipated to be a 33% increase in those aged over 75, more so than nationally, and a 15% increase in those aged 65-74, in line with Scotland. There is a 10% decrease projected in 30-49 year olds, while the proportion of 16-29 year olds is expected to remain relatively stable.
The new Forth crossing due to open in 2016 may lead to a further increase in the population, particularly those of working age commuting to Edinburgh.

**Education provision projections**

As the summary indicates, the school roll is projected to remain steady to 2018, with very little change. Across Scotland, the trend is for a 2% fall over the period to 2018.

**Employment projections**

Based on 2012 figures, national employment figures are projected to rise by 5.3% between 2012 and 2022, with the fastest increases occurring between 2017 and 2020.

The sectors with the largest projected employment growth over the period are Information technology (32%), health and social work (17%), real estate (14%) and electricity and gas, finance and insurance and construction (all 13%). As the top employing sector in Fife, an anticipated 17% rise in health sector employment is likely to see new jobs created in the region.

There is, however, projected to be considerable fall in agriculture employment (-15%), other manufacturing (-12%), public administration (-11%) and mining and quarrying (-10%). The expected decline in production-related activities is likely to have a negative effect on the employment base in Fife.

**Conclusions and considerations**

Fife has continued to recover well from the recession, which the region was strongly affected by. Output and employment are rising faster than for Scotland as a whole and the employment rate has now returned to the Scottish average following sharp recession-related decline. Unemployment continues to fall, including youth unemployment.

That said, the growth in employment in the region has been in customer services, care, operatives and elementary occupations, with a lower proportion in professional occupations than a year previously. And whilst falling, ILO unemployment is still one percentage point above the national average and there remain a higher proportion than average young people Not in Employment Education and Training. There are also concentrations of deprivation, particularly in the Fife towns of Dunfermline and Glenrothes.

There has been recent growth in production employment and this too is encouraging, although nationally the projections are for employment to fall. The population is forecast to increase, principally amongst older persons, although there may be an increasing number of working age people in Fife as a result of the new Forth crossing as more workers commute from Fife into Edinburgh. Already the Fife labour market is not self-contained, with a significant proportion travelling to work in Edinburgh.

The challenge is to meet the demands of employers in the region, particularly given many travel to work to higher paid jobs outside the region. The numbers studying at Fife College increased in the last year, although the number of MA starts has fallen. Graduates from St Andrews University typically do not originate in or remain in the region. Skills gaps are above the Scotland average, although this picture is clouded given the data also covers Edinburgh and the Lothians.

Some **key considerations** when planning skills provision in Fife going forward are therefore:
Skills Assessment 2015 Update: Fife

• How can the supply of skills in the region continue to meet the needs of employers in the production sector, to help sustain recent growth in the sector?

• Are there sufficient MA starts to help sustain the economic recovery in Fife, given the fall in starts in 2014/2015?

• The health sector is a large employer in Fife, and a sector that is forecast to grow nationally. Care occupation employment has increased in the last 12 months. How are the needs of the sector best met and is there a sufficient supply of skills coming into the sector, particularly with an ageing population?

• How can the supply of skills help to support more and better paid jobs in the region, where Fife jobs pay less than those in Edinburgh, and where many commute to the city? What will be the effects of the new Forth road bridge crossing?

• Skills gaps were already evident from the last Employer Skills Survey in skilled trades, care and leisure, sales and customer services, operative and elementary occupations – all of which have seen increases in employment in the last year. How are the needs of these sectors best met going forward?

• There remain gender imbalances in the take up of certain FE provision and in MAs. How can this be further addressed?

• Is there more that can be done to support those from deprived areas to access employment and training opportunities, given the concentration of these areas in parts of Fife?