West Dunbartonshire

Skills Assessment
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Scottish Funding Council
Promoting further and higher education

Scottish Enterprise

SLAED Scottish Local Authorities
Economic Development Group
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.
Introduction

What is this report?

This is a specific skills summary report for the West Dunbartonshire local authority area, one of a series of 32 local authority reports across Scotland. These follow the preparation of 2015 summary Regional Skills Assessments (RSA) which have 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.

The preparation of local authority-specific reports are designed to help support local authorities and partners with skills investment planning by providing local authority level data where this exists. The reports also supports SDS in planning its provision for individuals and businesses.

This series of local authority reports sits alongside the 2015 RSA update reports which highlight some of the key messages for the regions. The local authority and regional updates 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.
**Local Authority Skills Assessment 2015: West Dunbartonshire**

### Selected headline indicator changes

<table>
<thead>
<tr>
<th>West Dunbartonshire</th>
<th>Previous year</th>
<th>Most recent year</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Value Added (GVA) (£m)</td>
<td>£1,362 (2012)</td>
<td>£1,381 (2013)</td>
<td>+1.4%</td>
</tr>
<tr>
<td>GVA per worker</td>
<td>34,300 (2012)</td>
<td>35,900 (2013)</td>
<td>+4.7%</td>
</tr>
<tr>
<td>Number of businesses</td>
<td>4,125 (2013)</td>
<td>4,190 (2014)</td>
<td>+1.6%</td>
</tr>
<tr>
<td><strong>Profile of the workforce</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total employment</td>
<td>30,300 (2013)</td>
<td>30,300 (2014)</td>
<td>No change</td>
</tr>
<tr>
<td>Professional occupations</td>
<td>5,300 (2013)</td>
<td>5,000 (2014)</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>People and skills supply</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total population</td>
<td>89,800 (2013)</td>
<td>89,700 (2014)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>ILO unemployed</td>
<td>4,300 (2013/14)</td>
<td>3,800 (2014/15)</td>
<td>-11.6%</td>
</tr>
<tr>
<td>16-24 unemployed</td>
<td>651 (2014)</td>
<td>438 (2015)</td>
<td>-32.7%</td>
</tr>
<tr>
<td><strong>Deprivation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workless households</td>
<td>8,013 (2012)</td>
<td>8,544 (2013)</td>
<td>+6.6%</td>
</tr>
<tr>
<td>% of children with free school meals</td>
<td>n/a</td>
<td>47% (2015)</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Education and training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MA Starts</td>
<td>585 (2013/14)</td>
<td>545 (2014/15)</td>
<td>-6.8%</td>
</tr>
<tr>
<td>College provision (headcount)*</td>
<td>24,330 (2012/13)</td>
<td>28,123 (2013/14)</td>
<td>+15.6%</td>
</tr>
<tr>
<td>Higher Education provision (headcount)*</td>
<td>8,020 (2012/13)</td>
<td>8,176 (2013/14)</td>
<td>+1.9%</td>
</tr>
<tr>
<td><strong>Skills mismatches</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of employers recruited in past 2-3 years</td>
<td>66%* (2014)</td>
<td>(next updated 2016)</td>
<td>n/a</td>
</tr>
<tr>
<td>% of employers reporting not all staff fully proficient</td>
<td>20%* (2014)</td>
<td>(next updated 2016)</td>
<td>n/a</td>
</tr>
</tbody>
</table>

*Please note, this data is only available at the regional level, covering East Renfrewshire, Inverclyde, Renfrewshire and West Dunbartonshire local authorities.

1 **Economic performance**

West Dunbartonshire generates a small proportion of Scotland’s total GVA output, 1.2% of the total, reflecting its share of the population, and in line with the previous year. Output is dominated by education and health (29% of all output) and by the production sector (22%). The annual GVA growth rate increased from -0.4% in 2012 to 1.4% in 2013, although well below the Scotland rate, of 2.0% growth in 2012 and 2.9% in 2013.

Productivity levels in West Dunbartonshire are much below the Scottish and UK average, although increasing. GVA per worker was £35,900 in 2013, 31% below the Scottish average of £47,000 and 42% of the UK average of £51,000. GVA per worker increased by 23% between 2006 and 2013, although above the Scotland (18%) and UK (17%) increases.

Most recent (2014) data shows that full time jobs in West Dunbartonshire, at £475 per week, pay below the Scottish (£519) and UK (£518) averages. This fell by 4% from 2013, compared to the 2% increase across Scotland. Those living in West Dunbartonshire earn slightly more – £480 per week full time, although this is still below average.
There were 2,180 VAT/PAYE registered businesses in 2014, up 3.1% from 2013, above the 2.8% Scotland increase. Since 2010, the base has grown by 5%, equal to the 5% growth in Scotland and just below the UK rate (6%).

Retail is the largest sector of West Dunbartonshire business base (15% of the total, versus 11% in Scotland), followed by professional scientific and technical (11%, 15% in Scotland) and construction (10%, compared to 9% for Scotland).

2 Profile of the workforce

Total employment in the area has decreased from 32,200 in 2010 to 30,300 in 2014. With an 8% fall from 2009 to 2014, this is a different picture to the 1% rise across Scotland which has been recovering jobs lost in the recession since 2012. From 2013 to 2014, there was no change in total employment in West Dunbartonshire.

The area is overly reliant on the public sector and health is the largest employment sector. Some 23%, or 6,800, are employed in the sector, well above the Scotland and Great Britain averages.

West Dunbartonshire has a high employment concentration in a number of sectors, including public administration and defence (at over double the national level) and health, reflecting a weaker private sector. Retail is also concentrated and these are the sectors employing the most in the area. Although smaller, finance and insurance and education are also concentrated in the local authority area. Sectoral specialisation exists for those sectors with a value which is above 100%.
The occupational profile in West Dunbartonshire is somewhat different to the Scotland profile. Just 13% of employees are in professional occupations – 5,000 – below the Scotland and UK averages of 20%. Similarly, just 5% (1,900) are managers, directors or senior officials, below the 9% in Scotland. There are also higher proportions of caring, leisure and other service occupations (14%, compared to 10%) and sales and customer service occupations (12%, compared to 9%).

3 People and skills supply

At an estimated 89,700 in 2014, the population continues to decrease, falling 3% since 2004. This compares to 5% growth in Scotland and 8% growth in the UK over the same period.

The employment rate for West Dunbartonshire in 2014 was 66%. This is seven percentage points lower than for Scotland and Great Britain, although it is an increase of one percentage point on 2013.

In 2014/15 there were 3,800 ILO unemployed (those out of work and actively seeking work), down from 4,300 in 2013/14. The ILO rate in 2014/15 was 9% in West Dunbartonshire, compared to 6% in Scotland and the UK. In 2015 there were 438 unemployed young people aged 16 to 24, a decrease of 33% since 2014, in line with trends nationally.

The proportion of school leavers entering Higher Education in 2014/15 was 34%, a two percentage point decrease from 2013/14. The percentage entering Further Education (30%) has increased from 20% in 2007/08. A fifth (20%) entered employment.

The proportion of those aged 16-64 years in West Dunbartonshire with high level qualifications (31% at SCQF 7-12) is below the Scotland (41%) rate. A higher proportion (16%) have no qualifications, compared to 9% in Scotland and the UK. Amongst 16-24 year-olds, 28% have higher-level qualifications (SCQF 6) – just above the Scottish rate (27%).
4  Deprivation

In all, 28% of West Dunbartonshire households (8,544) are workless households (2013), compared to 20% in Scotland, and 17% in the UK. Further, 22% of households have incomes above £30,000, compared to 31% across Scotland.

Nearly half of all those at school in West Dunbartonshire are entitled to free school meals (47%), a reflection of relatively low income levels and concentrations of deprivation. This is notably above the national average of 39%.

5  Education and training provision

There were 5,172 pupils enrolled at secondary schools across West Dunbartonshire in 2014, 30% of whom were S5 and S6, just above the 29% across Scotland.

There were 545 SDS-supported MA starts in 2014/15, a 7% decrease on the 585 in 2013/14. 57% of starts were male and the remainder female (43%). There were 555 SDS-supported MA leavers in 2014/15.

28,123 students (headcount) were studying at West College Scotland in 2013/14, although this covers its three campuses in Clydebank (West Dunbartonshire), Greenock (Inverclyde) and Paisley (Renfrewshire); 88% of these were studying at FE level and 12% at HE level. 68% of West Dunbartonshire residents who are at college study locally.¹

There is no higher education institute in West Dunbartonshire; within the wider region, 8,176 students (headcount) were studying at the University of the West of Scotland in 2013/14, based in Paisley. There were 3,109 graduates. This included 2,762 with a first degree (89%) and a further 347 postgraduates (11%).²

6  Skills mismatches³

66% of employers in Glasgow and the Clyde Valley had recruited in the 2-3 ears prior to the UKCES survey, and 29% had taken on leavers from Scottish education institutions (in contrast to 67% and 26% across Scotland).

Just under a fifth (18%) of employers in Glasgow and the Clyde Valley reported that not all of their staff are fully proficient, just below the average for Scotland of 19% - with skills gaps most likely in skilled trades, sales and customer services, operatives and elementary occupations.

7  Looking forward

The population of West Dunbartonshire is forecast to decline by 1,985 over the 2014-2024 period, a change of -2.2%. This compares to 5% growth at the UK level, and a 4% rise at the Scotland level.

¹ Please note, this data is only available at the regional level, covering East Renfrewshire, Inverclyde, Renfrewshire and West Dunbartonshire local authorities.
² ibid.
³ Please note, data is from 2013 as the UKCES Employer Skills Survey is only undertaken every two years. Further, data is only available at the regional level, covering East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire local authorities.
The school roll is projected to fall slightly to 5,000 in 2016 and 2017 before returning to the current level of 5,100 by 2018. Across Scotland, the trend is for a 2% fall over the period to 2018.

Based on 2012 figures, national employment figures are projected to rise by 5.3% from 2012 to 2022, with the fastest increases occurring between 2017 and 2020. Greatest levels of growth are expected in information technology (32%) and health and social work (17%). There is projected to be a fall in agriculture employment (-15%), other manufacturing (-12%) and public administration (-11%).

8 Summary

West Dunbartonshire performs weakly compared to Scotland and UK averages against a wide range of indicators, including employment, earnings and deprivation, and in many cases this deficit is increasing. The local economy is heavily reliant on the public sector, notably health and education, and there is strong competition for jobs and investment from neighbouring areas, notably Glasgow. Commuting out of the area for better paid jobs, and out-migration of the population, are two of the challenges West Dunbartonshire faces.

Jobs in West Dunbartonshire pay below the Scotland and UK averages, and full time weekly pay fell by 4% between 2013 and 2014. The total number of employees in employment in the area is 8% lower than 2009, and whereas total employment across Scotland has been increasing since 2012, this recovery is not evident in West Dunbartonshire, where there was no change between 2013 and 2014. Retail is the other significant employer after the public sector. The proportion of employees in professional occupations (13%) is below the Scotland and UK rates (20%).

Although the ILO unemployment rate has fallen since 2012/2013, at 9% in 2014/15 the rate is higher than the Scotland rate of 6%. Youth unemployment also fell by a third between 2014 and 2015, although this reflects a national trend. The West Dunbartonshire population is less qualified when compared to Scotland; 31% have the highest level of qualifications, compared to 41% in Scotland, and 16% have no qualifications, compared to 9% in Scotland.

Nevertheless, there are some signs of encouragement. The number of businesses in the area increased by 3.1% between 2013 and 2014, faster the Scotland rate of increase. Although in part this may reflect weak employment picture where there are fewer opportunities, growing and diversifying the business base will be a key local priority, and important in stimulating new demand for skills. The employment rate also increased by one percentage point in 2014.

There remain challenges to increase participation in the labour market. Nearly 30% of households are workless, compared to a fifth in Scotland, and nearly half of all children are entitled to free school meals. There is a need to attract more private sector jobs, such as business services, given the loss of production and other traditional forms of employment over many years. The population has declined over the last 10 years and more, and is forecast to fall further.

Almost seven in 10 studying at FE level study locally, and 12% of FE provision is at HE level. College provision will be key to meeting local employer demand for skills. This includes higher level skills as well as those demanded by sales and customer services, where skills gaps are evident in the wider region, and in caring, leisure and other service occupations, where there continues to be strong local demand.