



Skills  
Development  
Scotland

# Skills Action Plan for Rural Scotland: 2019–2021



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# Ministerial foreword



**Undoubtedly, the renewed focus on rural this parliamentary term has highlighted the importance of rural Scotland for our overall economy.**

Through all of the different strands of work underway, it is clear to me that people are key to driving forward our rural communities and economy. We recognise the need to safeguard and value our rural communities, making them sustainable and inclusive places for people to live, work and thrive.

The Scottish Government is committed to supporting our people to remain in, and return to, rural communities by creating a sustainable and productive environment in which they can live and work. We want to ensure we have the right people with the right skills in order help the Scottish rural economy flourish by providing opportunities for training, development and entrepreneurship.

Skills planning, which meets the current and future needs of Scotland's rural economy is a vital part of the suite of measures needed to develop a highly skilled workforce and deliver sustainable economic growth. That is why

the 2017/18 Programme for Government committed to 'produce a rural skills action plan, to enhance employment opportunities for young people.' The importance of skills was subsequently reinforced by the recommendations of the National Council of Rural Advisors and the Rural Economy Action Plan published in October 2018 which include a commitment to provide a highly skilled workforce through education, training and re-skilling.

When I asked for a skills action plan to be developed for rural Scotland I was well aware that we were not starting from scratch. The agriculture champions had already set out an ambitious list of proposals on land-based skills. Skills Investment Plans, with particular relevance for rural areas are already in place including early learning and childcare, food and drink, tourism, historic environment and ICT & digital technologies. Regional Skills Investment Plans are in place – or in development – covering much of rural Scotland. The purpose of this plan was therefore to build on the activity already underway across rural Scotland and the body of evidence around specific gaps, to produce a range of actions which will meet the skills required for jobs in rural areas both now and in the future.

The development of this plan and the identified actions has been very much a collaborative effort, led by Skills Development Scotland with extensive engagement with stakeholders. I'm grateful for the time, commitment and energy that our partners in the Scottish Funding Council, Scottish Enterprise, Highlands and Islands Enterprise, Lantra, National Farmers' Union of Scotland, Scotland's Rural College, Skills Development Scotland, the NCRA and industry have given to help develop this plan to set an ambitious agenda for future skills delivery in rural Scotland.

Of course, producing the plan is only the start of the process. I now look forward to seeing actions delivered and making a real difference for the people and businesses of rural Scotland.

A handwritten signature in white ink that reads "Fergus Ewing". The signature is written in a cursive style with a large loop at the end of the last name.

**FERGUS EWING**

Cabinet Secretary for the Rural Economy

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# 1: Building a skills action plan for rural Scotland

## Introduction

The 2017/2018 Programme for Government<sup>1</sup> made a commitment to develop a skills action plan for rural Scotland. This plan builds on the existing research ‘Understanding the Scottish rural economy’<sup>2</sup>, work undertaken by the National Council for Rural Advisors in ‘A New Blueprint for Scotland’s Rural Economy’<sup>3</sup> and the report of the Agricultural Champions setting out ‘A Future Strategy for Scottish Agriculture’<sup>4</sup>.

The plan underpins the ambition set out in ‘Supporting our Rural Economy’<sup>5</sup>, part of the Scottish Government’s ‘Economic Action Plan: Supporting business, accelerating growth and prosperity for all’<sup>6</sup>, which highlights the need to provide “a highly skilled workforce through education, training and re-skilling”. The plan has a clear focus on collaborative action, building on a recognition that there is a lot of activity already underway across rural areas, supported by a wide range of national, regional and local partners.

In seeking to support the skills needs of the rural economy, several important considerations must be understood:

- the rural economy is rooted in ‘rural areas’. Understanding where rural areas are located provides the framework for exploring the sectors, businesses and communities that drive their growth
- ‘rural areas’, however defined, are not all the same and conversely there are ‘urban’ areas e.g. small towns in places that are otherwise categorised as ‘rural areas’

- whilst rural sectors were traditionally viewed as predominately land-based (focused around agriculture, forestry and fishing), there has been a significant diversification of the rural economy to encompass a broader base of activity including tourism, food & drink, creative industries, energy and others, which are becoming increasingly important
- to make sense of the rural economy, a comprehensive robust evidence base is required which, despite significant advances in defining and collecting information for rural areas, still presents some challenges in terms of consistency and coverage across different datasets and geographic scales
- there is a balance to be struck between identifying and addressing the immediate needs of employers, individuals and communities, as well as those over the medium to long term
- cognisance needs to be taken of both rural specific interventions and the way in which national policies and approaches play out and can be supported in rural areas.

## Interdependencies with wider inclusive economic development factors

Skills have a key role to play in underpinning inclusive economic growth in rural areas, but need to be viewed alongside wider social, economic and environmental considerations, with important interdependencies that serve to enhance or constrain development and inclusive economic growth. These include:

- a supply of good quality, affordable housing offering a range of dwelling types
- the enabling role of infrastructure:
  - transport capacity, frequency and speed facilitating the movement of learners, workers, customers and goods
  - digital connectivity, particularly through the roll out of superfast broadband, facilitating business development and learning
- place attractiveness with its link to talent attraction and retention, including access to quality educational, leisure, culture and recreation opportunities
- reinforcing links between different industrial sectors and the many cross sectoral opportunities that exist, for example, agriculture, forestry and fishing, accommodation and food services and sustainable tourism<sup>7</sup>.

1 [Scottish Government \(2017\) Programme for Government](#)

2 [Scottish Government \(2018\) Understanding the Scottish Rural Economy](#)

3 [Scottish Government \(2018\) A New Blueprint for Scotland’s Rural Economy](#)

4 [Scottish Government \(2018\) A Future Strategy for Scottish Agriculture](#)

5 [Scottish Government \(2018\) Economic Action Plan: Supporting our Rural Economy](#)

6 [Scottish Government \(2018\) Economic Action Plan: supporting business, accelerating growth and prosperity for all.](#)

7 [Scottish Government \(2018\) Understanding the Scottish Rural Economy](#)

## Defining ‘rural’

Robust intelligence should underpin all skills planning activity, seeking to understand the current and future demand for skills and jobs across Scotland. However, without a single agreed definition of what constitutes ‘rural’ in a Scottish context, there is a challenge in terms of bounding and supporting the rural economy<sup>8</sup>.

Rural analysis to date has focused on three different approaches:

- the Randall definition of rural Scottish local authorities was developed in 1985. This distinguishes between urban and rural based on population (below one person per hectare), but is very simplistic and unable to reflect the differences across rural areas
- the Scottish Government urban/rural classification, which provides a standard definition of rural areas in Scotland, updated every two years to incorporate the most recent Small Area Population Estimates (SAPE) produced by National Records of Scotland (NRS) and Royal Mail Postcode Address File (PAF). This classification can be broken down in to 2,3, 6 or 8 groupings (from large urban areas to very remote rural)
- the newly developed Rural and Environment Science and Analytical Services (RESAS) classification of rural provides a holistic approach which clusters local authorities together based on their relative degree of rurality as listed below:
  1. Larger Cities
  2. Urban with Substantial Rural areas
  3. Mainly Rural
  4. Islands and Remote.

This plan focuses on the areas defined as ‘Mainly Rural’ or ‘Islands and Remote’ (see Table 1).

**Table 1: Scotland’s Rural Economy**

<b>Mainly Rural</b>
Aberdeenshire Angus Clackmannanshire East Ayrshire East Lothian Dumfries and Galloway Highland Moray Perth and Kinross South Ayrshire Scottish Borders
<b>Islands and Remote</b>
Argyll and Bute Comhairle nan Eilean Siar Orkney Islands Shetland Islands

Source: Scottish Government Rural and Environment Science and Analytical Services (RESAS)

However it is important to note that the issues and opportunities identified in these rural areas, and the actions set out to support them, may also have relevance in the rural communities within localities categorised as ‘Urban with Substantial Rural areas’.<sup>9</sup>

Where available, the quantitative evidence base that underpins this Skills Action Plan For Rural Scotland focuses on the RESAS definition of the local authority areas identified as rural, which are ‘Islands and Remote Rural’ and ‘Mainly Rural’. However it is important to note that the issues and opportunities identified in these rural areas, and the actions set out to support them, may also have relevance in the rural communities within the localities categorised as ‘Urban with Substantial Rural Areas’.

## Defining ‘rural skills’

Critical to understanding the scope of the Skills Action Plan for Rural Scotland is reaching consensus on the definition of ‘rural skills’. A broad and holistic definition of rural skills has been used. Whilst traditional sectors including farming, forestry and fishing still have an important role to play in rural areas, so increasingly do activities across a wide range of sectors including tourism, creative industries, energy, manufacturing and others.

Rural areas also have a requirement for a range of cross cutting skills including digital skills and higher level leadership and management skills. Alongside this is the need to respond to the ‘meta-skill’ demands of the future to address the challenges and respond to the opportunities for individuals, organisations and the skills system driven by technological disruption and ‘Industrie 4.0’, including self-management, social intelligence and innovation<sup>10</sup>.

<sup>8</sup> Scottish Government (2018) *Understanding the Scottish Rural Economy*

<sup>9</sup> Urban with Substantial Rural - North Lanarkshire, Fife, South Lanarkshire, West Lothian, Renfrewshire, Falkirk, East Renfrewshire, Inverclyde, West Dunbartonshire, Midlothian, North Ayrshire, East Dunbartonshire and Stirling

<sup>10</sup> SDS (2018) *Skills 4.0 A Model to Drive Scotland’s Future*

## **Skills planning and building a skills action plan for rural Scotland**

Robust intelligence should underpin all skills planning activity seeking to articulate and respond to the needs of Scotland's employers and business managers (including micro-businesses, sole traders) and learners. This is to help ensure that skills provision adequately reflects current and future demand and prepares individuals to take up the opportunities on offer. The approach can be sectoral (industry based), regional (place based) or in combination.

### **Developing the plan**

This Skills Action Plan for Rural Scotland seeks to focus on developing the skills required for the jobs in rural areas – both now and in the future.

Socio-economic development consultants ekosgen was commissioned to work with partners to present and verify the evidence base, help identify and validate the key skills issues, and to assist in the development of this plan. ekosgen undertook desk-based research building on work previously undertaken by a range of partners including Skills Development Scotland, the Scottish Government's Rural and Environment Science and Analytical Services (RESAS), the Scottish Government's Agricultural Champions and the National Council of Rural Advisors. They completed more than 30 stakeholder consultations and facilitated three workshops with a steering group formed to develop this skills action plan<sup>11</sup>.

Key stakeholders included the Scottish Government, the Scottish Funding Council (SFC), Skills Development Scotland (SDS), Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Lantra, National Farmers'

Union of Scotland, Scotland's Rural College (SRUC), Scottish Training Federation (STF), Federation of Small Businesses (FSB), Confor, Seafood Scotland, VisitScotland, Education Scotland (ES) and representation from the National Council of Rural Advisors, Developing the Young Workforce (DYW) and industry. Initial engagement was via stakeholder consultation, however, most of these organisations were also represented on the steering group, as committed partners to both the development process and subsequent implementation of the plan.

11 ekosgen (2019) Skills Action Plan for Rural Scotland: Background Evidence Paper

Figure 1.1: Developing a skills action plan for rural Scotland

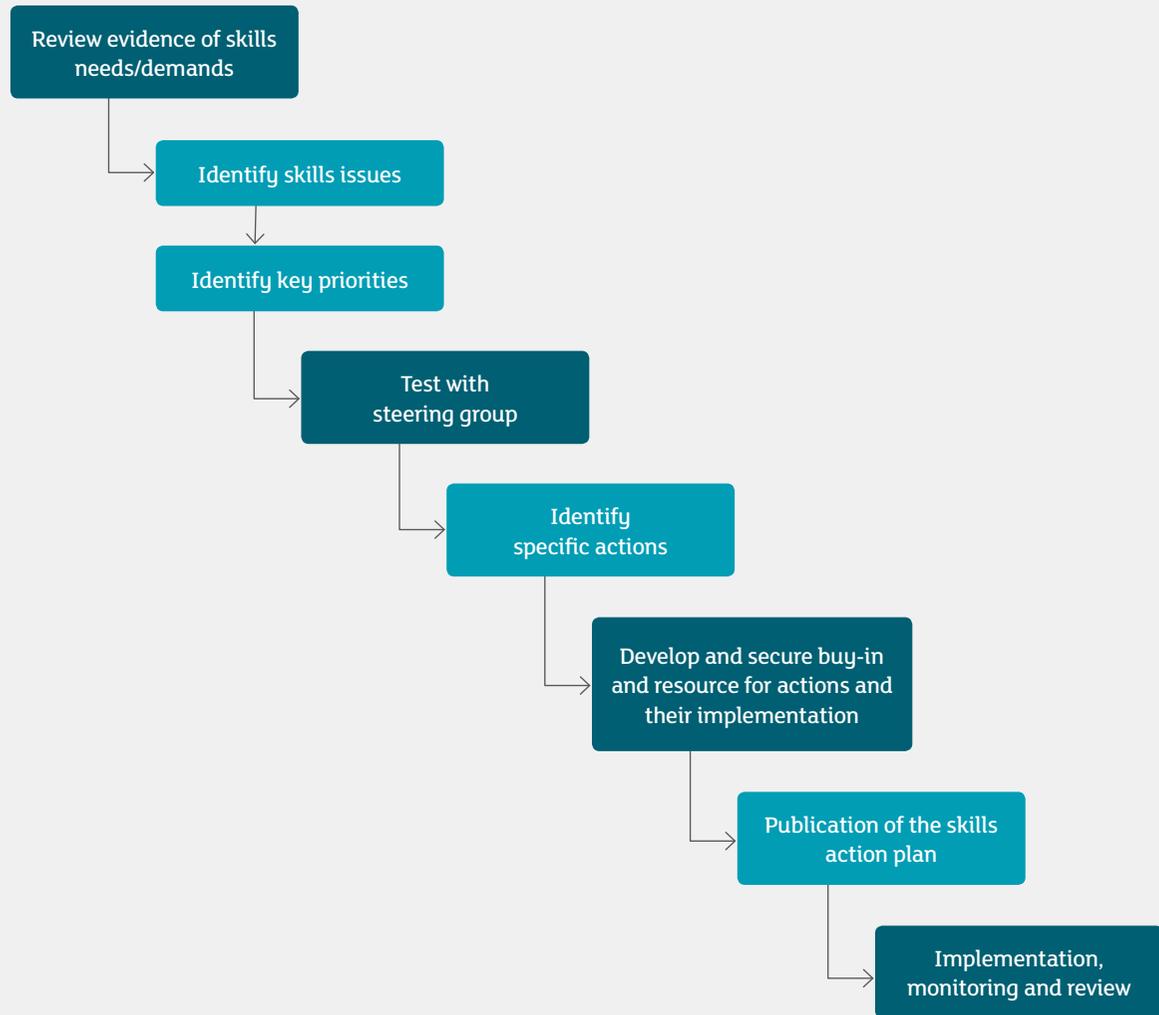


Figure 1.1 illustrates the approach taken to development of the Skills Action Plan for Rural Scotland.

The plan builds on analysis of the evidence, identification of key issues impacting on skills and agreement or priority areas of action by partners. Within each priority area there are complementary themes with one or more specific actions identified. These actions seek to address challenges or enable opportunities in specific sectors of the rural economy and/or within specific localities to support an inclusive growth aspiration.

Each action identifies a lead and supporting partners, detailing their contribution and specifies a proposed timetable for action.<sup>12</sup>

However, the plan itself is not the sole outcome. A wide range of partners have a critical role in ensuring its effective implementation, both in terms of ongoing commitment and resource. This will require dedicated management, co-ordination and monitoring over the two-year lifespan of the plan, overseen by an effective governance structure to give strategic guidance.

<sup>12</sup> Skills Action Plan for Rural Scotland: 2019-2021: Key issues and priority actions: June 2019 provides a summary version

## 2: The policy context of rural Scotland

### Introduction

“The shared purpose of the Scottish Government and its partners is to make Scotland a more successful country, with opportunities for all to flourish, through increasing sustainable economic growth”<sup>13</sup>.

The Enterprise and Skills Strategic Board, created in November 2017, is working to align and co-ordinate the activities of Scotland’s Enterprise and Skills agencies<sup>14</sup> to help to move Scotland towards the top quartile of OECD countries in terms of productivity.

The Board’s strategic plan, which recognises both the need for current action and a longer-term ambition to deliver inclusive economic growth, focuses on how “public and private sector partners, local, regional and national, can provide place-centric, industry focused assistance that will drive inclusive growth”<sup>15</sup>.

This provides a strong policy and operating context for the Skills Action Plan for Rural Scotland, which plays into a complex landscape, with a range of existing strategies and policy documents with the potential to influence and shape both its development, actions and implementation. In broad terms these are strategies, plans and programmes with a focus on the national economy or a focus on sectors or regions with a strong rural footprint.

### National economic focus

Of particular relevance to the Skills Action Plan for Rural Scotland are:

- ‘Scotland’s Economic Strategy’<sup>16</sup>, which has the dual purpose of increasing growth and tackling inequality through four priorities: investment, innovation, inclusive growth and internationalisation. Through its

inclusive growth priority, it makes a commitment to “realise opportunities across Scotland’s cities, towns and rural areas, capitalising upon local knowledge and resources to deliver more equal growth across the country”<sup>17</sup>. It also recognises the diverse nature of the rural economy, recognising that there are localities subject to a number of challenges which relate to their specific geography

- the Scottish Government’s ‘Economic Action Plan’<sup>18</sup> sets out the Government’s intent for Scotland “to be a leader in the technological and social innovations of the future, to harness that innovation to improve lives for the better, and to export solutions to the rest of the world”. This plan has a commitment to developing a highly skilled workforce through education, training, up-skilling and re-skilling, as well as developing the potential of rural communities and the rural economy by “supporting the development of a diverse and healthy rural economy”, and through growing traditional and non-traditional rural sectors. A named objective is the development of this skills action plan to ensure that rural enterprises have access to a highly skilled workforce
- ‘A New Blueprint for Scotland’s Rural Economy: Recommendations to Scottish Ministers’<sup>19</sup> published by the National Council of Rural Advisers states that a vibrant, sustainable and inclusive rural economy can only be achieved by recognising its strategic importance, and effectively mainstreaming the rural economy in policy and decision-making processes. The blueprint calls for the creation and implementation of a new rural economy framework, with outcomes around perceptions of the rural economy, creating a flexible, adaptive and skilled workforce, creating the

conditions for a diverse economy and business base, and improved and inclusive housing provision

- ‘Scotland’s Labour Market Strategy’ has a vision of “[a] strong labour market that drives inclusive, sustainable economic growth, characterised by growing, competitive businesses, high employment, a skilled population capable of meeting the needs of employers, and where fair work is central to improving the lives of individuals and their families.”<sup>20</sup> It reinforces the commitment to rural areas set out in ‘Scotland’s Economic Strategy’, acknowledging the role of rural areas in the need to deliver equal and inclusive growth across the country, through the provision of quality and sustainable employment opportunities, and digital and physical infrastructure. One of its inclusive growth priorities is focused on employability and skills
- in looking to improve Scotland’s provision of employability support, the Scottish Government published ‘No One Left Behind’<sup>21</sup> to ensure that the national approach to employability focuses on the needs, strengths and ambitions of the individual, giving them access to the right support to help improve their life chances. This approach requires effective integration and alignment of a range of support services (e.g. health, justice, and housing) to ensure a simplification of the support landscape, and to deliver better outcomes for those who face barriers accessing employment. A review of the current provision of employability services<sup>22</sup> acknowledged the distinct needs of rural employability services; which are fewer in number, often with a reliance on charities and smaller social enterprises to deliver these services. The cost of providing services in rural areas is often higher than in urban areas, and service users may face specific barriers such as access to, and cost of, travel

13 Scottish Government (2015, p13), [Scotland’s Economic Strategy](#)

14 Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise the Scottish Funding Council and the South of Scotland Economic Partnership.

15 Enterprise and Skills Strategic Board (2018, p.4) [Working Collaboratively for a Better Scotland](#)

16 Scottish Government (2015) [Scotland’s Economic Strategy](#)

17 Scottish Government (2015) [Scotland’s Economic Strategy](#) p9, p59

18 Scottish Government (2018) [Economic Action Plan](#)

19 National Council of Rural Advisers (2018) [A New Blueprint for Scotland’s Rural Economy: Recommendations to Scottish Ministers](#)

20 Scottish Government (2016) [Scotland’s Labour Market Strategy](#), p5

21 Scottish Government (2018) [No One Left Behind: next steps for employability support](#)

22 Scottish Government (2018) [No One Left Behind: next steps for employability support](#)

- the Scotland is Now campaign<sup>23</sup> was created to help promote the country to a global audience, and encourage people to consider Scotland as a place to live, work, study, visit and invest. Developed through a partnership approach, Scotland is Now promotes Scotland as “a country that is challenging new thinking, inviting new investment, creating new opportunities, supporting new industry, and driving technology”. There are clear benefits to the rural economy through this approach to showcase Scotland’s range of natural assets, diverse economy and investment potential
- Scotland’s Rural Development Programme (SRDP) 2014-20 is to help achieve sustainable economic growth in Scotland’s rural areas. Priorities for SRDP include enhancing the rural economy, supporting agricultural and forestry businesses, protecting and improving the natural environment, addressing the impact of climate change and supporting rural communities.

### Skills Investment Plans

Skills Investment Plans<sup>24</sup> (SIPs) at a sectoral and regional level identify strategic priorities, objectives and actions for skills to support Scotland’s economic and skills ambitions.

Sectoral skills investment plans are in place for early learning & childcare, food & drink, tourism, financial services, engineering, creative industries, energy, digital and ICT technologies, chemical & life sciences, construction and historic environment. There are also sub-sectoral action plans of relevance supporting activity in aquaculture and timber & forest industries. SIPs which include an emphasis on developing rural skills or addressing challenges associated with rurality include:

- tourism<sup>25</sup>: which illustrates the challenges of remoteness and rurality, raising the attractiveness of the sector to new entrants, ensuring national equality of access to learning and development opportunities and exploring alternative delivery models of apprenticeships, particularly in rural areas
- food & drink<sup>26</sup>: which has a focus on attractiveness of the sector, and overcoming the challenges of rurality and location including perceptions of low-paid/low-skilled jobs and dependency on migrant labour
- early learning & childcare<sup>27</sup>: which shows specific challenges recruiting and training staff in rural and remote areas, where the potential pool of labour is smaller and access to training and education provision is more limited
- historic environment<sup>28</sup>: which identifies challenges relevant to rural areas, including raising awareness and appreciation of traditional craft skills, improving sector image and attractiveness, and widening the talent pool through expanding entry-level routes and pathways into the sector. It also makes a commitment to expand existing relevant sectoral continuing professional development provision in rural areas by 2020
- ICT & digital technologies<sup>29</sup>: which sets out the importance of digital and ICT skills for all sectors of the economy as an enabler of growth, and the need for continuing (and increasing) pace of development and adoption, increased digital investments, and increased skills development of the workforce. It highlights the need to raise the attractiveness of

the sector, through demonstrating the range of occupations and sectors which require digital skills, and the vibrant and innovative range of opportunities which these skills can help access. It is essential that the necessary connectivity infrastructure is in place to support continued prosperity and skills development, however this is often lacking or more limited in rural areas.

Wider sectoral strategies which are of particular relevance to rural Scotland include, but are not restricted to:

- ‘A Future Strategy for Scottish Agriculture’<sup>30</sup> which sets out strategic ambitions for Scottish agriculture, stressing the importance of the sector interrelating with the wider food industry, environmental sustainability, tourism and employability and skills development. The strategy sets out a number of recommendations, including the need for greater collaboration and joint working amongst partners and industry, increasing the attractiveness of the sector as a career destination, and increased provision and uptake of digital skills training
- ‘Tourism Scotland 2020’<sup>31</sup> which sets out a goal of “making Scotland a destination of first choice for high quality, value for money and memorable customer experience, delivered by skilled and passionate people”. The strategy highlights the importance of tourism across rural Scotland, and lists skills as a key action for growth, through ensuring all staff have the skills to deliver a high-quality experience, raising the attractiveness of the sector to new entrants, and ensuring appropriate and quality training is available

<sup>23</sup> Scotland Is Now campaign, launched 2018

<sup>24</sup> Available on the [Skills Investment Plans section of the SDS website](#)

<sup>25</sup> Skills Development Scotland (2016) Skills Investment Plan for Scotland’s Tourism Sector

<sup>26</sup> Skills Development Scotland (2017) Skills Investment Plan for Scotland’s Food & Drink Sector

<sup>27</sup> Skills Development Scotland (2018) Skills Investment Plan for Scotland’s Early Learning & Childcare Sector

<sup>28</sup> Skills Development Scotland (2019) Skills Investment Plan for Scotland’s Historic Environment Sector

<sup>29</sup> Skills Development Scotland (2014) Skills Investment Plan for Scotland’s ICT & Digital Technologies Sector

<sup>30</sup> Scottish Government Agricultural Champions (2018) [A Future Strategy for Scottish Agriculture](#)

<sup>31</sup> Scottish Tourism Alliance (2012), [Tourism Scotland 2020](#)

- ‘Scotland Food and Drink’s Ambition 2030’<sup>32</sup> sets out the industry’s shared vision of farming, fishing, and food & drink as Scotland’s most valuable industry by 2030. A key pillar underpinning this vision is people and skills, with a need for a coherent and collaborative education programme, demonstration of the range of career opportunities, development of clear progression pathways, a national recruitment campaign, and the creation of a national mentoring programme
- ‘Changing Tides’<sup>33</sup> A Strategy for Scotland’s Seafood Industry’ sets out Scotland Food and Drink’s vision for the Scottish seafood industry by 2030 to be responsible, profitable, diverse, collaborative, and admired. Supported by industry-wide collaboration and greater public and private sector alignment, the strategy outlines a specific vision for people and skills within the sector to make the sector more attractive and accessible to people at all levels of entry, invest in its people, retain talent, and plan for succession. The strategy is underpinned by an action plan, which contains people and skills as one of its four key themes. This includes implementing the Seafood Skills Action Plan (developed in 2016), developing a leadership programme for the seafood industry, incorporating seafood into school-level food education programmes, and securing access to a post-Brexit workforce.

Regional Skills Investment Plans (RSIPs) are in place for Highlands & Islands<sup>34</sup> with supporting local plans in Caithness & Sutherland, Arran, Moray, Western Isles, Shetland and Orkney, Edinburgh & South East<sup>35</sup> and Aberdeen City & Shire<sup>36</sup>. Of relevance to rural areas, plans

are also in development for the South of Scotland, Tay Cities and Ayrshire. Whilst there is variation by region there are commonalities across themes and priorities, including addressing skills gaps and shortages to meet the needs of employers now and in the future, enhancing academic and work-based learning pathways into key sectors, collaborative and partnership working to support employers and approaches to develop infrastructure to attract and retain talent.

Other strategies and sub-regional plans of relevance to this skills action plan are:

- Highlands and Island Enterprise’s ‘Enabling our Next Generation’<sup>37</sup>, which seeks to understand and analyse the attitudes and aspirations of young people across the Highlands and Islands. This report suggests that in maximising opportunities for people across the region, there is “scope to capitalise on the extensive existing intelligence” of skills supply and demand to create a more localised response to skills challenges. The report also calls for a more collaborative approach to attracting and retaining skills across the region
- the ‘Gaelic Tourism Strategy for Scotland’<sup>38</sup> which seeks to grow awareness and use of Gaelic within the Scottish tourism industry, with a vision of the language being recognised nationally and used as an asset to market Scotland to visitors. A strategic priority is to improve access for the industry to resources, skills and training, with a commitment to increase industry capacity and mainstream Gaelic skills provision in national skills planning.

The objectives and priorities of the City and Growth Deals which are emerging across Scotland also have the potential to impact on rural Scotland. Those with a rural element include:

- Edinburgh and South-East Scotland City Region Deal: This sets out how economic and inclusive growth will be accelerated across the whole region. A new integrated regional employability and skills programme is being established, which will help develop a better understanding of labour market need and opportunity, build stronger employer and individual relationships, and target skills development in key sectors
- Aberdeen City Region Deal: This sets out how the region will capitalise on the opportunities for growth and overcome the challenges it faces, particularly in light of the downturn of the oil and gas sector. With a focus on innovation across several key sectors, the deal will create an oil and gas technology centre, and an agri-food and nutrition hub for innovation, which will help develop sector-specific and transferable skills
- Inverness and Highland City Region Deal: In working to retain and attract people and promote skills development of the resident workforce in the area, the deal sets workforce development as a priority, investing in human capital and supporting individuals to gain workplace skills and qualifications
- Stirling and Clackmannanshire City Region Deal: A key commitment of the deal is to develop a new regional skills and inclusion programme to develop the local workforce address inequality and maximise economic benefits across the region

32 Scotland Food and Drink (2018) Ambition 2030

33 Scotland Food and Drink (2014) [Scottish Seafood Partnership Report](#)

34 Skills Development Scotland (2014) Skills Investment Plan for the Highlands and Islands

35 Skills Development Scotland (2017) Skills Investment Plan for Edinburgh and South East Scotland

36 Skills Development Scotland (2018) Regional Skills Strategy for Aberdeen and Aberdeenshire

37 HIE (2018) Enabling our next generation: Young People and the Highlands and Islands: Attitudes and Aspirations Research

38 VisitScotland (2018) Gaelic Tourism Strategy for Scotland

- Ayrshire Growth Deal: The deal sets out a vision for the region to be vibrant and attractive to visitors and investors and will help drive inclusive economic growth across the region. There will be a regional skills and inclusion programme to ensure employers and communities across the region engage fully with the range of opportunities and benefits which the Growth Deal will bring
- Borderlands Inclusive Growth Deal: The first cross-border deal of its kind, the Borderlands Growth Deal (covering the local authority areas of Dumfries & Galloway and Scottish Borders in Scotland, and Carlisle, Cumbria and Northumberland in England) seeks to improve productivity, achieve inclusive growth, attract younger people to live and work across the region, and improve the quality of life for existing residents and communities. Whilst specific actions and projects have yet to be finalised, it is likely that the deal will support development activity across a range of themes which are of significance to rural communities, including digital connectivity, tourism, regeneration and skills.
- the economy – due to new trade arrangements and regulation changes
- the labour market – in the event of changes to free movement. With fewer people, there would be a need to focus on upskilling/reskilling both those in employment and those unemployed or economically inactive
- the skills system – due to the relatively high numbers of EU students, the volume of EU staff in colleges and higher education institutions (HEIs) and funding received from the EU to support the system.

### Economic drivers

Boosting productivity is vital for our long-term prosperity. However, Scotland's productivity, like the rest of the UK, remains lower than other advanced economies. In 2016 (latest available data), Scotland ranked 19th out of the 36 Organisation for Economic Co-operation and Development (OECD) countries for productivity. This placed Scotland in the third quartile. As of October 2018 (2018 Q2), Scotland has had four consecutive quarters of productivity growth, increasing by 0.5% between Q1 and Q2 of 2018. Although there has been rising employment since the recession, there remain issues of 'non-standard' jobs, low wage growth, 'in-work' poverty and significant regional variations in growth and employment/unemployment.

### Societal/demographic drivers

Demographic shifts mean that we have an ageing population structure, with the balance between those of working age compared to those of retirement age continuing to fall over the coming decades. Between 2016 and 2041, Scotland's population is forecast to grow by 5%, but much of this will be driven by an increase in the

population aged over 65. The working age population is projected to decline by 4% over the same period.<sup>39</sup> This and the unknown of Brexit, are likely to result in fewer people to undertake Scotland's jobs. The opportunities arising from automation would need to be maximised to achieve Scotland's economic ambition.

### Technological drivers

It is a widely held view that the world is entering what is being described as the fourth industrial revolution, or 'Industrie 4.0' with its reliance on technological advancements. Almost every industry has automation potential and half of today's work activities could be automated by 2055<sup>40</sup>, with those in rural areas no exception. A new skill set of 'metaskills', building on self-management, social intelligence and innovation will be needed to thrive in this increasingly complex environment. These skills will enable individuals to learn continually, and be resilient and adaptive to change, but will also be used to create new technologies and drive change.<sup>41</sup>

### Drivers that impact on skills

Although the focus of this plan is skills, it is important to consider the other key drivers that potentially impact on the economy of rural areas which can act as enablers or constraints to successful implementation.

### Political drivers

The decision to leave the European Union (EU) – Brexit – will have a significant impact on rural economies and skills. Although final decisions still remain to be made on the deal (or not) to be reached there are potentially three areas of impact:

39 National Records of Scotland

40 McKinsey Global Institute (2017) *A future that works: automation, employment and productivity*

41 SDS (2018) *Skills 4.0 A Model to Drive Scotland's Future*

### 3: Key issues impacting on skills: Focusing on the evidence base

#### Introduction

Drawing on the desk-based review of the evidence base and further informed by stakeholder consultations this chapter provides an overview of the key issues impacting on the demand and supply of skills in rural areas<sup>42</sup>.

These issues include both those with a **direct impact** on skills, including the supply of people and qualifications, the nature of employment and the business base and those with an **indirect impact**, including the supply of housing, digital connectivity, access to transport and childcare and wider issues of talent attraction and retention. Whilst the focus of this Action Plan is skills, these wider issues need to be clearly understood in seeking to identify actions to tackle the challenges and maximise the opportunities for growth across rural Scotland.

#### Issues with a direct impact on skills

##### Demographics

A plentiful supply of appropriately skilled labour is critical to achieving growth ambitions, however, Scotland's rural areas are facing several demographic challenges related to absolute population numbers, the profile of the population and predictions around population change for the future.

- **total population:** In 2017, 1,674,110 people lived in Scotland's rural areas accounting for 31% of Scotland's total population, with the majority of those living in the Mainly Rural rather than the Islands and Remote Rural areas. Although the period 2007-2017 saw an increase in population at 3%, the rate of growth was slower than the Scotland average of 5%. Although 3% population growth is forecast across rural areas by 2041, this is two percentage points lower than the Scottish average. This also masks the issue that the population of all the local authorities

classified as Islands and Remote Rural are projected to decrease by 2041, with a 14% decrease projected for the Western Isles, the largest of any local authority in Scotland

- **ageing population:** The population is ageing and this is a greater challenge in rural areas, with 22% of the total population now aged over 65, compared to the Scotland average of 19% in 2017. Forecasts predict that by 2041, 30% of individuals in rural areas will be aged over 65, compared with the Scotland average of 25%
- **smaller and decreasing working age population:** At 61%, rural areas have a lower proportion of working age individuals (aged 16-64) compared to the Scotland average of 64%. Overall, the working age population in Scotland's rural areas is forecast to decrease by 9% by 2041, more than twice the rate of the forecast national decrease of 4%. This will have a significant impact on the size of the workforce available
- **out-migration of young people:** Whilst many young people who leave rural areas may choose to return later in life, the out-migration of young people has a significant impact on the overall population size, on community sustainability, and on the possibilities for economic growth. Recent research undertaken by HIE<sup>43</sup> into young people living in the Highlands and Islands indicates that some who may want to stay in the region leave so they can study, and it can be hard to encourage or enable them to return. Young people who do leave but who may want to return to the region may be discouraged due to a lack of suitable employment opportunities, housing, and access and availability of leisure facilities

- **dispersed population:** Rural, and particularly remote areas are often categorised by a population dispersed over a large, sparsely populated area. This creates challenges in bringing together enough learners in one place to deliver cost-effective provision. This is likely to be a disincentive for training providers who are considering delivery within rural and remote communities<sup>44</sup>.

##### Economic output<sup>45</sup>

Scotland's rural areas make a significant contribution to national economic output, contributing £34,600 million (28%) to Scotland's total Gross Value Added (GVA) of £127,226 million in 2015.

- **significant and projected growth:** There has been significant growth in rural areas in recent years, with GVA increasing by £9,737 million (39%) between 2005 and 2015. The majority of this has been driven by Mainly Rural areas (£9,110 million, equivalent to 41% growth) compared with £627 million in Island and Remote Rural areas (equivalent to 24% growth). Projections suggest that there will be continued growth into the future, with GVA from Scotland's rural economy forecast to grow by 14% over the period 2018-2028, to £41,200 million<sup>46</sup>. This is slightly lower than the 16% growth forecast at the national level
- **differential performance:** The vast majority of rural GVA is attributable to the Mainly Rural areas (£31,328 million, 25% of total GVA)<sup>47</sup>, although performance is highly variable across different local authorities and sectors. Two local authority areas are responsible for driving more than one third of GVA output from the rural economy (Aberdeenshire £7,252 million, 21% and Highlands £5,274 million, 15%)

<sup>42</sup> ekosgen (2019) Skills Action Plan for Rural Scotland: Background Evidence

<sup>43</sup> Highlands and Islands Enterprise (2018), [Young People and the Highlands and Islands: Maximising Opportunities](#)

<sup>44</sup> Pye, J. and Egget, K. (2009) [Barriers to Training and Skills Development in Rural Areas Learning Theme](#)

<sup>45</sup> Scottish Government (2018), [Understanding the Scottish Rural Economy](#)

<sup>46</sup> Scottish Government (2018), [Understanding the Scottish Rural Economy](#)

<sup>47</sup> Scottish Government (2018), [Understanding the Scottish Rural Economy](#)

- **strength and growth in ‘non-traditional’ sectors:** As with its urban counterparts, the two largest sectors in terms of GVA for Scotland’s rural economy are:
  - public administration, education and health – (21% of GVA in Mainly Rural areas and 27% of GVA in Islands and Remote Rural areas)
  - distribution, transport, accommodation, and food (21% of GVA in both Mainly Rural and Islands and Remote Rural areas).

There has been notable GVA (and employment) growth across a wide range of industries including information & communication, public administration, education and health. This challenges the common perception that Scotland’s rural economy is dominated by ‘traditional rural sectors’ such as farming, forestry and fishing. Whilst these clearly have an important role to play in rural communities, the ‘agriculture, fisheries and forestry’ sector accounts for just 3.2% of GVA in Scotland’s rural economy<sup>48</sup>.

### Productivity<sup>49</sup>

Although there have been improvements in recent years, levels of productivity are lower in Scotland’s rural economy than the Scotland average.

- **lower level of productivity:** In 2018, productivity<sup>50</sup> in Scotland’s rural economy was £45,624 per job compared with the national level of £47,312
- **improving productivity, but gap remains:** Productivity in rural Scotland has improved over the past ten years (2008-18), increasing by 7% in comparison to 9% at the national level. Forecasts predict a 14% increase to £52,188 between 2018 and 2028, one percentage point lower than the national level at £54,200

- **underemployment:** This has a role to play in lower levels of productivity and presents a particular challenge in rural areas, especially in fragile areas, where much employment is part-time or casual. Stakeholder consultation also identified concerns about ‘hidden’ unemployment in rural areas (i.e. unreported worklessness).

### Total employment

In 2017, 717,000 people were in employment in rural areas, accounting for almost one third (28%) of total employment in Scotland<sup>51</sup>, with most of that employment (88% of total employment in rural areas) within the Mainly Rural areas

- **high level of employment:** The employment rate across Scotland’s rural areas is typically higher than the Scotland average. In 2017, 79% of individuals of working age in Islands and Remote Rural areas and 77% in Mainly Rural areas were in employment, compared with 74% across Scotland as a whole
- **some growth, but variation by degree of rurality:** Employment in Scotland’s rural economy grew by 1% from 2015 to 2017, this has been driven by Mainly Rural areas, whereas Islands and Remote Rural employment remained relatively flat. Looking to the future, employment in Scotland’s rural areas is forecast to remain stable over the next decade (2018 – 2028), in contrast to growth of 3% at a national level<sup>52</sup>. Whilst some areas are expected to see an increase in employment, almost half of the rural local authorities (including all Islands and Remote Rural areas) are forecast to decrease (Table 2).

**Table 2: Forecast employment percentage change (2018-28), Scotland’s rural economy local authority**

Decline
Moray (-4%)
Eilean Siar (-4%)
Dumfries and Galloway (-3%)
Argyll and Bute (-3%)
Orkney Islands (-2%)
Shetland Islands (-1%)
South Ayrshire (-1%)
Stable
Clackmannanshire (0%)
Angus (0%)
Scottish Borders (0%)
East Ayrshire (0%)
Increase
East Lothian (4%)
Aberdeenshire (2%)
Perth & Kinross (1%)
Highland (1%)

Source: Oxford Economics Database (2018). Definition: RESAS

- **lower level of unemployment:** Islands and Remote Rural areas have a lower unemployment rate (2.6%) compared with the national average (4.3%), although the rate for Mainly Rural areas (4.2%) is more in line with the national picture (as of September 2018).

48 Scottish Government (2018), [Understanding the Scottish Rural Economy](#)

49 Oxford Economics Forecast Database (2018)

50 Measured as Gross Value Added per job.

51 Source: NOMIS Business Register and Employment Survey

52 Oxford Economics Forecast Database (2018)

- **lower rate of economic inactivity:** There is a slightly lower rate of economic inactivity amongst 16 to 64-year olds in rural areas (20% in Islands and Remote areas and 21% in Mainly rural areas) compared with 23% at the Scotland level. In line with the rest of Scotland, the most common reasons for economic inactivity in rural areas are being a student and being long term sick, however, the percentage of the economically inactive who are retired is significantly higher at 21% in Islands and Remote Rural and 18% in Mainly Rural areas, compared with 13% in the Rest of Scotland
- **working patterns** differ from the national picture. People are more likely to be employed on a part-time basis (33% in remote rural areas compared with the 26% in the Rest of Scotland), individuals are more likely to have a second job (8% compared with 3%); and working from home is more common (27% compared with 10%)<sup>53</sup>
- **self-employment above Scotland average:** In 2017, the rate of self-employment in Islands and Remote Rural areas was 15% and in Mainly Rural areas it was 14%, both well above the Scotland average of 10%, a pattern which has been consistent over the last decade. However, it is not clear whether self-employment is driven by necessity or choice; i.e. if individuals had access to well-paid and secure jobs, would they still be self employed? In rural areas, being self employed comes with a particular set of challenges including a lack of quality digital and physical infrastructure, and potentially more expensive or scarce training and/or business development support. A recent report looking at the attitudes and aspirations of young people

aged between 15 and 30 in relation to living in the Highlands and Islands<sup>54</sup> found that young people living in fragile areas are more likely (22%) to see self-employment as an option than those living in non-fragile areas (18%). However it is not clear whether this is because of a lack of local employment opportunities or whether young people in fragile areas are more exposed to people and role models who work for themselves and so more receptive to self-employment as a viable option

- **more young people in employment:** The Participation Measure<sup>55</sup> allows for identification of the participation status of 16 to 19-year olds in employment, education, or training. This shows that in rural areas, 21% of young people are in employment, compared with 19% at the national level
- **travel to work patterns:** Data from the 2011 Census shows that 22% of the people living in rural Scotland who are in employment travel to urban areas for work. Unsurprisingly, this is greater in Mainly Rural areas (23%) than Islands and Remote Rural areas (9%), as many more live a commutable distance from large urban hubs

**earnings**<sup>56</sup>: People living in rural Scotland are paid less in the year (with median earnings of £28,556) than those living in the Rest of Scotland (£29,930). Although the median earnings of females living in rural areas are in line with females across the Rest of Scotland (£25,383 compared to £25,393), males in rural areas earn less (£30,222 compared to £32,279). In addition to having relatively low incomes, individuals living in rural locations may face higher costs of living e.g. increased transport costs, accessing goods and services.

## Employment by sector

In broad terms, Scotland's rural economy is comparable to the sectoral footprint in the rest of Scotland. The most notable variations being a larger agriculture, forestry and fishing sector (7% in Islands and Remote Rural and 5% in Mainly Rural compared with <1% in the Rest of Scotland), a key role for manufacturing and accommodation and food services (both 9% compared with 7% in the Rest of Scotland) and a lower share of employment in business administration and support services (6% compared with 9% at the national level), and financial and insurance sectors (1% compared with 4% at the national level).

- **strong reliance on public sector activities:** Employment in education, health and public administration and defence accounts for the largest proportion of employment, irrespective of geography, accounting for 30% of total employment in rural areas, and 30% of employment across the Rest of Scotland<sup>57</sup>. This is forecast to continue over the coming decade (2018-28) with these sectors continuing to account for almost one-third of total employment (although forecast to decrease by 2% over the period)<sup>58</sup>
- **high quality job opportunities:** There is a perception that many of the employment opportunities in rural areas are low-skilled and low-paid. Whilst some sectors, including agriculture, forestry & fishing, wholesale & retail and accommodation & food services have a high degree of seasonal or transient employment, there is a range of high quality jobs offering job security (particularly in the public sector), good salaries, training opportunities and career progression. This underlines the importance of individuals having access to and awareness of these opportunities

53 Scottish Government (2018), [Understanding the Scottish Rural Economy](#)

54 Highlands and Islands Enterprise (2018), [Young People and the Highlands and Islands: Maximising Opportunities](#).

55 Skills Development Scotland Annual Participation Measure. [Publications available through SDS website statistics](#)

56 ASHE (2018)

57 Public administration and defence, Education, and Health sectors are used as a proxy measure for the 'Public Sector'.

58 Source: Oxford Economics.

- **new opportunities:** There are a range of key sectoral developments that can be exploited to provide a wider range of employment opportunities in rural Scotland. Current examples include maximising the marine economy (MAXiMAR) in Highlands and Islands, opportunities through construction, operation and maintenance through expansion of the renewable energy sector, large-scale developments such as the proposed alloy wheel factory adjacent to the aluminium smelter in Fort William, increased demand for early learning and childcare and social care, in line with recent Scottish Government policy and targets and the potential for the space industry. There are also opportunities to attract individuals and employers who are actively seeking a rural lifestyle, through greater promotion of the range of natural assets and diverse employment opportunities available across the rural economy
- **future skills demand:** Over the next decade (2018-28), total requirement<sup>59</sup> in Scotland's rural areas is forecast as 256,000 jobs, accounting for almost one quarter of the total requirement for Scotland. 90% of this will be in Mainly Rural areas. In terms of sector, total requirement will be greatest within wholesale & retail (51,800 jobs), agriculture, forestry and fishing (33,500 jobs – which represents 76% of the total requirement for the sector across Scotland) and administrative and support services (32,500 jobs)

- **addressing gender imbalances:** Whilst not an issue specific to rural areas, there are sectors of critical importance to rural communities with significant gender imbalance in the workforce including some land-based sectors and health & social care (particularly childcare). Within land-based sectors part of the challenge relates to quantifying the role and contribution of women in the workforce, with recent research<sup>60</sup> showing that many women working in the agricultural sector do not always recognise or define their own agricultural work beyond 'helping out'. However, whilst 42% of all full-time and part-time working occupiers and spouses (i.e. those with a current involvement) are female, only 7% of principal farmers are female<sup>61</sup>. Women report the ongoing practice of family farms being left to a son, slow career progression, poor representation in farming organisations and limited access to vocational training<sup>62</sup>. Addressing the inequality across the land-based sectors would help effect positive recruitment change to benefit the sector in future.<sup>63</sup> Recent years have seen some developments and actions to address these issues. This includes the SRUC developing a gender action plan<sup>64</sup> setting out its commitment to addressing gender imbalance within the subjects they offer. Taking another example, there is also a need to address the small number of men working in health & social care, and particularly childcare, where currently only around 4% of the daycare children's workforce is male. Scottish Government's targets for significant expansion in the sector presents clear employment opportunities.

### Employment by occupation

The pattern of employment by occupation in Scotland's rural areas differs from the rest of Scotland.

- **lower levels of managerial, professional and associate professionals:** Only 38% and 39% of people living in Islands and Remote Rural and Mainly Rural areas (respectively) work in managerial, professional and associate professional occupations, compared to 45% in the rest of Scotland
- **higher levels of skilled trades:** In contrast, individuals working in rural Scotland are also much more likely to work in skilled trades, at 16% in Islands and Remote Rural areas and 15% in Mainly Rural areas, compared with 9% elsewhere in Scotland. This may be explained by the prevalence of the agricultural sector in rural areas as many farming, agriculture and fishing trades are categorised as 'skilled trades'.

59 Total requirement is the measure of how many people will be required to fill employment demand within a defined area and is the sum of expansion demand (i.e. employment growth) and replacement demand (i.e. people leaving through retirement, care responsibilities, changing jobs etc.).

60 Scottish Government (2017), [Women in Farming and the Agriculture Sector](#)

61 Scottish Government (2019) [Scottish Agricultural Census](#)

62 Scottish Government (2017), [Women in Farming and the Agriculture Sector](#)

63 SFC and SRUC (2015) [The National Strategy for Land-based Education and Training](#)

64 SRUC (2017) [SRUC gender action plan 2017-2020](#)

### The business base<sup>65</sup>

In 2018, over 68,000 businesses were operating across Scotland's rural economy, with the majority based in Mainly Rural areas.

- **increase in business base:** The number of businesses operating across the rural economy has increased by 13% (c.7,800 businesses) since 2010. Whilst representing strong growth, the national increase over the same period was 17%
- **greater prevalence of businesses in agriculture, forestry and fishing:** Whilst the business base of Scotland's rural areas is broadly in line with that of the rest of Scotland, agriculture, forestry and fishing accounts for 21% of all businesses, compared to 10% across Scotland. These differences are particularly pronounced within Island & Remote Rural areas, where agriculture, forestry and fishing accounts for 30% of businesses. This is partially offset by a decreased share of businesses operating within the professional, scientific & technical sector (15% compared to 18% across Scotland as whole), and information & communication sector (3% compared to 6% across Scotland)
- **higher share of micro business:** In terms of business structure by employee size band, at 89% there is a higher share of micro businesses (0-9) than the rest of Scotland at 87% and lower share of employers 50+, at 1% in rural areas compared with 3% in the rest of Scotland. SMEs across Scotland report challenges in terms of lack of time, capacity and awareness of training, and in rural areas these challenges can be exacerbated by issues including cost and access to training. This can limit employment and work-

related training opportunities for those living in rural communities as these types of employers take on fewer new employees. This may be important when considering the work-based learning offer within smaller, rural businesses and the potential role of training providers. The rural supplement for Modern Apprenticeships was introduced in recognition of the additional costs incurred by companies (and training providers) delivering Modern Apprenticeships in rural and remote areas and is a key support mechanism.

### Skills shortages and skills gaps

Employers report both facing skills shortages (which are vacancies caused by a shortage of skills, qualifications or experience) and skills gaps (which are skills deficiencies within the existing workforce). The Employer Skills Survey (2017)<sup>66</sup> provides some insight into skills shortages and skills gaps faced by businesses in Scotland. Data is presented at a regional level in Scotland aggregated from local authority data, so Scottish Borders, Dumfries & Galloway and Highlands & Islands are the only regions comprising solely rural areas using the RESAS definition. Whilst this provides an indication of the extent of skills shortages and gaps in Scotland's rural areas, there is significant variation by region.

- **hard to fill vacancies more prevalent in rural areas:** Nationally, 35% of employers reporting a vacancy say that between 76% and 100% of their vacancies are hard-to-fill<sup>67</sup>; this increases to 57% for the Highlands and Islands, and 46% for Dumfries and Galloway. However only some hard to fill vacancies are skills shortage vacancies (SSVs), where the main reason applicants are rejected is because they lack the technical, practical, people or personal skills that employers need

- **no consistent picture on skills shortage vacancies across rural areas, although increasing:** 6% of employers nationally report at least one SSV, however there is no consistent picture across rural areas. Dumfries & Galloway is in line with Scotland (a two percentage point increase from 2015). 7% of Highlands & Islands employers report at least one SSV (a two percentage point increase from 2015) but only 1% of Scottish Borders' employers (a four percentage point decrease from 2015 – perhaps linked to the Borders Railway).
- **rurality may exacerbate skills shortages:** Consultations suggest that national challenges around access to skilled workers may be exacerbated in rural areas due to wider challenges around talent, attraction and retention, connectivity and training, and education provision. Consultees also reported skills shortages in specific technical skills such as forestry and in sectors such as engineering, which are facing national shortages<sup>68</sup> and a range of core business skills including management and leadership, mentoring and customer services. There are also challenges in the road haulage sector with a shortage of LGV drivers across Scotland, and the need for additional skills and experience for those driving in rural areas (e.g. to handle road surfaces, driving conditions, and the impact of their weight on the road). The sector has an ageing workforce and a gender imbalance in favour of males and issues around image and perception which contribute to a lack of new entrants<sup>69</sup>

65 NOMIS Business Register and Employment Survey

66 UK Government (2017) [Employer Skills Survey 2017: Scotland toolkit](#)

67 UKCES do not provide a detailed definition for a Hard-to-fill vacancy, other than it being a position which employers find difficult to fill for any reason.

68 The Employer Skills Survey data for employers in the 'Primary Sector & Utilities' sector is suppressed.

69 Ekos (2016), 'Development of Action Plan to Address Shortage of Drivers in Scotland's Transport Network'. Report for Skills Development Scotland (unpublished).

- **smaller proportion report skills gaps, but higher density in some occupations:** Overall a smaller share of employers in the Scottish Borders (11%), Highlands & Islands (13%), and Dumfries & Galloway (14%) reported skills gaps (the proportion of establishments with at least one employee workforce considered not fully proficient), compared to 16% of employers nationally. However there is a higher density of skills gaps (the proportion of staff not fully proficient) in some key occupations. Employers in rural areas report a higher density of skills gaps within labour intensive occupations (e.g. machine operatives and other elementary occupations), with the Highlands & Islands also reporting higher levels of skills gaps in middle skill level occupations (including skilled trades and clerical and administrative occupations)
- **fewer employers funding or arranging training:** Whereas 71% of employers nationally have funded or arranged training for staff in the past 12 months, this falls to 66% in Dumfries & Galloway, 65% in Highlands & Islands, and 49% for the Scottish Borders.<sup>70</sup> Again, whilst there are a number of barriers to providing training for staff, there is some evidence of rurality being an issue; with 3% of Highlands & Islands employers stating that courses of interest to them are not available locally (compared to 1% nationally), and 11% of Highlands and Islands employers identified a lack of good local training providers as a barrier to them providing more training for staff (compared to 4% nationally).

### Qualifications

Whilst broadly in line with the national picture, there is some evidence that the qualifications profile of rural Scotland differs.

- **fewer qualified at the highest level:** Only 41% of the working age population in rural Scotland are qualified to NVQ Level 4 or above (equivalent to SCQF Level 7-12), compared to 44% across Scotland as a whole<sup>71</sup>, although a slightly higher share of people in rural Scotland hold qualifications at NVQ Level 3 (SCQF Level 6) and NVQ Level 2 (SCQF Level 5) than at the national level. At 6%, the proportion of those with no qualifications is the same as at the national level
- **higher percentage with school qualifications as highest level:** 32% of the working age population in Islands and Remote Rural areas and 30% in Mainly Rural areas, have Higher/A-Level or Standard Grade equivalent as their highest qualification compared with 26% in the rest of Scotland
- **increased barriers to accessing education and training:** Evidence from a recent study<sup>72</sup> of students in rural locations including Argyll & Bute, Highland, Eilean Siar, Orkney Islands and Shetland Islands identified a number of barriers in accessing higher education. They reported additional travel and accommodation costs, concerns around difficulties in coming home to visit family, more limited opportunities to visit universities prior to applying because of the distance involved and a perception that the range of subjects and opportunities available to them in more remote communities was more restricted

- **more limited opportunities to study locally:** A lower proportion of people living in Islands and Remote Rural areas are likely to have a degree level qualification than in the rest of Scotland, which is likely to be attributed to the lack of higher education opportunities in rural Scotland. Research into the Highlands & Islands area suggests that it is far more common for higher education (HE) students from this region to study outside of their home region (56%) than students from other parts of Scotland.

<sup>70</sup> Employer Skills Survey 2017, Table 127. Figures based on whether the employer had funded/arranged any form of training for staff in the 12 months prior to being surveyed.

<sup>71</sup> NOMIS Annual Population Survey (2017) Scottish Government RESAS Classification. N.B. NOMIS data is provided by NVQ but Scottish Vocational Qualifications (SVQ) is equivalent

<sup>72</sup> Lasselle, Laurence (2016) Barriers to higher education entry – a Scottish rural perspective, Special Edition: Widening Access to Higher Education in Scotland, Scottish Educational Review, 48(1), 78-88.

## Education and skills provision

Individuals and employers access education and training opportunities to enhance their skills in a number of different settings and from a wide range of providers.

## Schools

Schools support children and young people to develop the range of skills, attributes and qualifications they need to open up opportunities and maximise their potential.

- **reduction in the number of schools:** Over two-fifths (44%, 1,100) of all schools in Scotland are located in rural areas<sup>73</sup>, 37% based in Mainly Rural and 7% in Islands and Remote Rural areas. Since 2008, the number of schools in rural areas has decreased by 8% (97 schools), less than the national decrease of 9%, although the number of schools in Islands and Remote Rural areas has decreased by 16% (35 schools) over the same period
- **falling number of pupils:** Almost one-third of pupils across Scotland study in schools in rural areas (31% - c.216,000 pupils)<sup>74</sup>. Since 2008, the number of pupils in schools in rural areas has decreased by 2% (c. 4,300 pupils), compared to a 2% increase nationally. This decrease was particularly pronounced in Islands and Remote areas, with a decrease of 9% (c. 1,900 pupils)
- **challenge in filling teacher vacancies:** Rural schools, particularly in the most remote rural areas, struggle to recruit the volume of teachers they need across all subjects, which has led to the development of a number of 'grow your own' approaches including a new graduate scheme in Argyll and Bute where the local authority is working partnership with UHI and the University of Dundee.

## Colleges

Scotland's colleges have a key role to play in developing a highly educated and skilled workforce, providing a broad base of education, vocational and work-based learning opportunities. Whilst they are the main providers of further education, around 20% of students study at higher education level<sup>75</sup>.

- **funding for rural colleges:** For 2018/19, the Scottish Funding Council (SFC) will provide core funding to rural colleges<sup>76</sup> of £103.8m, split on the following basis:
  - Highlands & Islands region (42% - £43.7m)
  - North East Scotland College (31% - £32.6m)
  - Dumfries & Galloway College (9% - £9.7m)
  - SRUC (9% - £9.0m)
  - Borders College (8% - £8.3m)
- **additional finance to support colleges, staff and students in rural areas:** The SFC introduced a Rural and Remoteness Premium for colleges in 2010/11, which seeks to ensure that students in rural Scotland have access to the same range and quality of college provision as those in urban areas. In 2018/19 this amounted to around £8 million across colleges in the Scottish Borders, Dumfries & Galloway, Highlands & Islands and North East college regions. These four regions qualify for the premium due to the proportion of their population living in Remote and Very Remote areas. In addition, funding is available to support students and staff living in rural Scotland with travel costs

- **slightly decreased overall college provision in rural-based colleges:** There are 10 further education (FE) colleges with a campus in rural Scotland<sup>77</sup>, with c.35,800 students studying in 2017/18. This accounts for around 14% of the total number of college based students across the whole of Scotland, and this proportion has decreased slightly over the previous three years (from 15%)
- **decreasing uptake of 'rural subjects':** In 2017/18, there were 18,851 enrolments on 'rural subjects'<sup>78</sup> at colleges across Scotland, with the majority being in FE (91%). Overall, the number of college enrolments in rural subjects has decreased by 7% since 2013/14 (c.1,500 enrolments), driven by a 9% reduction in FE enrolments. The number of FTE students<sup>79</sup> studying rural subjects at college in Scotland in 2017/18 was 5,530, comprising 4% of all college students that year. The subjects with the most students (of both HE and FE levels combined) were:
  - marine transport (1,335 students)
  - agriculture/ horticulture (1,074 students)
  - fashion/textiles/clothing (craft – 551 students)
  - animal husbandry (485 students)
- **leavers from rural based colleges more likely to move straight into work:** 94% of leavers from rural-based colleges moved into a positive destination, i.e. employment or further study, almost in line with the 95% rate across Scotland. However, they are more likely to move straight into work (28% of positive destinations) than the national average (21%).

73 Source: Scottish Government - Pupils in Scotland dataset

74 Source: Scottish Government - Pupils in Scotland dataset

75 Audit Scotland (2018) [Scotland's Colleges 2018](#)

76 Rural colleges in this instance have been defined as those who received additional rural and remoteness funding in 2018/19. Further information on rural and remoteness funding is available [online](#).

77 i.e. Those based in 'Islands and Remote' and 'Mainly Rural' areas.

78 As defined by the SFC, these include: agricultural/horticultural engineering/farm machinery; agricultural/horticultural maintenance; agriculture science; agriculture/horticulture; amenity horticulture; animal husbandry; arts/culture/heritage administration; country leisure facilities works; crop husbandry; crop protection/fertilisers/by-products; energy economics/management/conservation; environmental health/safety; environmental protection/conservation; fabric crafts/soft furnishings; fashion/textiles/clothing (craft); fish production/

fisheries; food sciences/technology; food/drink services; forestry/timber production; freight handling; gardening/floristry; glass/ceramics/stone crafts; land based studies; marine transport; pets/domestic animal care; rural/agricultural business organisation; veterinary services; water sports; wood cane and furniture crafts. Figures relate to all colleges across Scotland.

79 The number of enrolments can be converted into Full-Time Equivalents (FTEs) to approximate the share of students studying on a full-time basis.

## Universities

Higher education can contribute to economic growth through increasing employment rates, raising tax revenues and supporting greater productivity and innovation, in addition to supporting wider social benefits, higher earnings and improved health and well-being for individuals<sup>80</sup>.

- **supporting provision for ‘rural’ subjects**<sup>81</sup>: The SFC estimate that for 2018/19, it will spend £22.19 million on provision in ‘rural’ subjects, comprised of £20.587m (93%) on the Main Teaching Grant, and the remainder (£1.603m) on Research Postgraduate Grants<sup>82</sup>
- **small number of higher education institutes in rural areas**: There are 19 HEIs in Scotland, however, only six have a campus based in a Mainly Rural or Islands and Remote area. These are Queen Margaret University (East Lothian, with around 5,210 students in 2016/17), UHI (campuses throughout the Highlands and Islands, with around 8,720 students in 2016/17), the Crichton Campus of the University of Glasgow (with 355 students in 2016/17), the Crichton Campus of the University of the West of Scotland (with 555 students in 2016/17), the Galashiels Campus of Heriot Watt (with 675 students in 2016/17) and the SRUC (with rural campuses in Dumfries & Galloway, and South Ayrshire, with around 1,620 students in 2016/17 across its six locations). Some of these institutions and campuses have a specialist focus, supporting the key traditional industries and opportunities locally e.g. UHI’s Scottish Association of Marine Science (SAMS) in Oban, UHI’s North Atlantic Fisheries College (NAFC) in Shetland, and SRUC’s Barony College in Dumfries which specialises in teaching and research in dairy farming

- **range of specialist provision**: Scotland’s HEIs offer a range of specialist programmes. SRUC delivers FE and HE courses across campuses in Aberdeen, Ayr, Edinburgh, Fife and Dumfries & Galloway including teaching (SCQF levels 1 to 12) in subjects that support traditional industries, and research and consultancy to support Scotland’s land-based industries and rural communities. UHI partners e.g. Scottish School of Forestry at Inverness College and Borders College also contribute specialist HE provision
- **increasing uptake of ‘rural’ subjects**: Between 2012/13 and 2016/17, the total number of entrants (FTEs) studying rural subjects at HEIs in Scotland increased by 36% (474 students) to 1,804 students. This was driven by significant increases in the numbers of taught Postgraduate entrants (an increase of 43%, 136 students), and ‘Other undergraduates’ (an increase of 198%, 356 students). The number of all students studying rural subjects, not just new entrants, has also increased, by 19% (c.700 students) between 2012/13 and 2016/17
- **developments in delivery adapting to rural needs**: Both colleges and universities serving primarily rural Scotland have sought to adapt their approach to the needs and circumstances of those areas. Currently, UHI and the Open University deliver a significant proportion of their activity via videoconferencing and online learning which is particularly important to Remote Rural Areas. SRUC and UHI tailor learning patterns around the seasonal nature of employment in some regions, allowing students to maintain incomes and undertake work placements during peak times

- **developments to enhance rural provision**:
  - the opening of Inverness Campus in May 2015 has been a key development for university level provision in rural areas. The campus is focused on life sciences and takes a triple helix approach through co-location of public, private and educational institutions in order to foster collaboration. Inverness Campus is home to teaching and research centres/collaborative projects involving five different institutions – UHI, University of Dundee, University of Aberdeen, Robert Gordon University and Glasgow School of Art. Student residences were built on the Inverness Campus as part of Inverness College moving its main site to the campus, offering student residences to Inverness College students for the first time
  - the academic partners on the Crichton Campus in Dumfries (University of Glasgow, University of the West of Scotland, the Open University, SRUC and Dumfries & Galloway College) have a unique collaborative arrangement to provide higher education opportunities and build research and knowledge capabilities in a region of Scotland that does not have a university. The Crichton Campus Leadership Group (CCLG) was established in 2013 to provide a coordinated response to the education, training and skills needs in the region and is supported by academic and wider partners and national agencies. A Joint Academic Strategy Group (JASG) facilitates interaction between the CCLG, the academic and non-academic partners and enables institutions to share strategic visions and to plan for collaborative provision to meet the needs of the region.

<sup>80</sup> Department for Business Innovation and Skills (2013) [The Benefits of Higher Education Participation for Individuals and Society: Key Findings and Reports Quadrants](#)

<sup>81</sup> As defined by the Scottish Funding Council, subjects include: Pre-clinical veterinary medicine; Clinical veterinary medicine & dentistry; Broadly-based programmes within agriculture & related subjects; Animal science; Agriculture; Forestry & arboriculture; Food & beverage studies; Agricultural sciences; Others in veterinary sciences, agriculture & related subjects; Science of aquatic & terrestrial environments

<sup>82</sup> Source: Scottish Funding Council. N.B. These are estimated amounts of grant funding associated with rural provision, based on the FTE numbers of students eligible for funding.

### Training providers

Consultees suggested that training providers have a key role to play in the delivery of training in rural areas to address skills gaps, particularly due to their perceived agility and flexibility to meet employer demand. However, there are significant challenges with assessing and quantifying the size and scope of the provider market, as there is no single source of data to draw on. There is no typical training provider, with training offered by a wide range of organisations including sole traders, micro-businesses, trade associations, Chambers of Commerce, sector skills councils and membership bodies. Nor is there a typical training offer, with a mix of bespoke courses and off-the-shelf courses – many with a focus on statutory and niche requirements, government funded provision and privately funded training and accredited and non-accredited training. Notwithstanding the challenges around accessing robust data, the potential for training providers to support the expansion of the training offer in rural areas in terms of volume and scope is potentially significant.

### Scottish Apprenticeships

Foundation (FA), Modern (MA) and Graduate (GA) Apprenticeships and work-based learning play a key role in preparing individuals for their careers and help employers tackle skills shortages and gaps, supporting new or existing employees to develop.

Apprenticeship opportunities across Scotland as a whole and in rural areas are growing.

### Increasing numbers of Modern Apprenticeships (MAs) in rural areas:

The demand for MAs is generated by employers, all of whom can access funding for approved apprenticeships, irrespective of whether they are micro businesses, SMEs or larger companies. The Modern Apprenticeship programme continues to grow and build momentum year on year, towards a target of 30,000 by 2020. Since 2013/14, the number of MA starts across Scotland has increased by almost 2,000 to 27,145 in 2017/18. As shown in Table 3, the total number of MA starts in rural areas has consistently accounted for almost one-third of the total of MA starts nationally across the last five years and has increased by over 500 since 2013/14 (a 7% increase consistent with national growth).

**Table 3: MA starts in rural areas % of total MA starts, 2013/14 – 2017/18**

Year	Total MA starts	Total within rural Scotland	%
2013/14	25,284	7,916	31
2014/15	25,247	7,968	32
2015/16	25,818	8,258	32
2016/17	26,262	8,279	32
2017/18	27,145	8,458	31

Source: SDS Modern Apprenticeship Q4 Supplementary Tables 2013/14 to 2017/18 using Scottish Government RESAS Classification.

In each of the last three years (2015/16, 2016/17 and 2017/18), c.£25m (a third of total spend<sup>83</sup>) has been spent on MAs for individuals resident in rural local authorities<sup>84</sup>.

- increasing number of starts overall in land-based frameworks:** As shown in Table 4, the number of starts in MA frameworks supporting more traditional land-based occupations has increased by 13% (56) since 2014/15. There has been particularly strong growth in land-based engineering, agriculture and game and wildlife management and a small increase in horticulture. The rural skills MA framework available at Level 2 (SCQF Level 5) and Level 3 (SCQF Level 6) was developed in 2016/17 and has also seen strong growth
- some land-based frameworks have seen a decrease in starts:** Since 2014/15 there have been small decreases in aquaculture and maritime occupations and more significant decreases in equine and (in 2017/18 only) trees and timber.

83 The MA spend figure relates to claims processed by contracted training providers and cover MA starts, those in training, leavers and achievers.

84 Scottish Government RESAS definition. 'Mainly Rural – East Ayrshire, Aberdeenshire, Clackmannanshire, East Lothian, South Ayrshire, Moray, Angus, Perth and Kinross, Highland, Dumfries and Galloway and Scottish Borders and Islands and Remote – Argyll and Bute, Shetland Islands, Orkney Islands and Comhairle nan Eilean Siar.

**Table 4: Starts on land-based<sup>85</sup> MA frameworks, 2014/15 to 2017/18**

Frameworks	Starts in 2014/15	Starts in 2015/16	Starts in 2016/17	Starts in 2017/18
Agriculture	76	73	64	95
Aquaculture	47	53	50	40
Equine	52	52	47	35
Horticulture	204	192	214	213
Land-based engineering	34	31	59	44
Rural skills*	n/a	n/a	6	19
Maritime occupations	0	27	30	22
Game and wildlife management	15	13	16	21
Trees and timber	13	13	15	8
<b>Total</b>	<b>441</b>	<b>454</b>	<b>501</b>	<b>497</b>

Source: SDS published data SDS Modern Apprenticeship Q4 Supplementary Tables 2014/15 to 2017/18.  
\* The rural skills MA framework was not launched until the summer of 2016.

In each of the last three years (2015/16, 2016/17 and 2017/18) more than £1.3million has been spent on individuals undertaking land-based MAs (in agriculture, aquaculture, equine, game and wildlife management, horticulture, land-based engineering, maritime occupations, trees and timber and rural skills (introduced 16/17)<sup>86</sup>.

- **opportunities for Foundation Apprenticeships are increasing:** FAs provide work-based learning opportunities for learners in the senior phase of secondary education (S5 and S6). FAs allow pupils to combine real world work experience and work-based learning with their school education, helping

them to develop the skills, experience and knowledge they will need when they leave school. FAs typically last two years and allow pupils to spend time out of school at college or with a local employer, combined with studying other subjects at school. Upon completion, FAs achieve an award at SCQF Level 6. FAs are currently available in 12 frameworks, across accountancy, business skills, civil engineering, creative & digital media, engineering, financial services, food & drink technologies, hardware & systems support, scientific technologies, social services children & young people, social services & healthcare and software development. All 32 local authorities across Scotland are engaged and offer

FA opportunities, and every Scottish university accepts FAs as part of their entrance criteria. SDS has recently achieved its ambition of offering 5,000 FA opportunities for the academic year 2019/20

- **opportunities for Graduate Apprenticeships are increasing:** Developed in collaboration between Skills Development Scotland, industry, and the further and higher education sectors, GAs provide an opportunity to combine paid employment with education up to Master's degree level. They provide a new way into degree-level study for individuals who are currently employed, or for people who want to combine education with going straight into work. GAs are currently offered across 12 frameworks across business management, financial services, construction, civil engineering, engineering, cyber security, data science and IT. GAs provide development opportunities for new and existing employees, enabling employers to upskill their workforce. Opportunities in rural areas are increasing, for example, from 2019, the University of the Highlands & Islands is offering GAs in early years & childcare (SCQF Level 9) and civil engineering (at SCQF Levels 8 and 10).

### Wider factors impacting on skills

As highlighted in chapter 1, there are a number of important interdependent factors with the potential to impact on skills demand and supply in rural areas and therefore the potential for achieving inclusive economic growth. Whilst these are not skills issues per se and cannot be addressed directly by a skills action plan, it is important to identify and understand the challenges they present to ensure that these can be addressed in parallel.

<sup>85</sup> Frameworks supporting 'traditional' rural industries including Maritime Occupations

<sup>86</sup> The MA spend figure relates to claims processed by contracted training providers and cover MA starts, those in training, leavers and achievers.

## Housing supply

A supply of good quality housing of the right type has an important role to play in making communities sustainable. This includes a mix of single dwellings, family homes and those suitable for older people. Housing also needs to be affordable, i.e. somewhere people can live within their means, and include a range of social housing, low-cost home ownership and mid-market rental properties<sup>87</sup>. Housing can be an asset, attracting and retaining people in a locality, allowing workers to reduce their need to commute, increasing their quality of life and providing a boost to the local economy through construction.

Scottish Government supports rural housing partly through a share of national programmes, including the Affordable Housing Supply Programme, which recognises the higher costs of housing delivery in rural areas; the Housing Infrastructure Fund and the Self-Build Loan Fund. Rural housing delivery is also supported through specific interventions, tailored to rural needs, including the Rural and Islands Housing Funds and Croft House Grant. The Scottish Government also supports Rural Housing Scotland, the Highland Small Communities Housing Trust (HSCHT) and the Dumfries and Galloway Housing Trust to help local communities to develop housing projects. However, the availability of housing remains a considerable challenge across rural Scotland.

- **relatively high and increasing housing costs:**

As of 2017, the median house price in rural Scotland was £145,651; slightly higher than across the Rest of Scotland (£144,309)<sup>88</sup>, with house prices in Mainly Rural areas (£150,051) the highest of any area. Whilst Islands and Remote areas have the lowest median house prices, at £133,550, these areas also

have the lowest earnings. House prices in rural areas are also increasing at a greater rate than across the rest of Scotland. Since 1997, house prices across rural Scotland have increased by 187% (c. £95,000) compared to 171% elsewhere (c. £91,000)

- **types of dwelling:** Over one-third of houses in rural Scotland are detached (36%), compared to just 15% elsewhere in Scotland. Typically, detached properties are larger and more expensive, potentially making them less accessible to young people, older people, individuals, and smaller families. Flats, which are typically more affordable comprise just 20% of housing in rural areas compared to 46% elsewhere in Scotland
- **lower level of local authority owned housing:** At 14% of the housing stock, rural areas have a lower level of local authority housing stock than the 16% in the Rest of Scotland. The share is lower still for Islands and Remote areas at 12%<sup>89</sup>
- **higher levels of second home ownership:** The natural assets of much of rural Scotland makes it a very attractive location for visitors, and this is an important part of the tourism sector. Some areas have relatively high numbers of second homes, homes used for short-term lets or used for longer distance commuting. Whilst this is not uniquely a rural phenomenon, it can lead to particular pressures on housing availability and affordability, with the consequence, for example, of making it difficult for young people to continue to live in such areas

- **higher level of vacant properties:** 6% of properties in Islands and Remote areas and 4% of those in Mainly Rural areas are vacant, compared to 3% elsewhere in Scotland<sup>90</sup>
- **further consideration given to a more flexible approach to planning:** There is a need for careful consideration to the needs of provision of housing in rural areas, not only through building but in the grant of planning permission. Consideration should be given to a more flexible approach to planning, and in particular to the grant of permission to farmers and crofters on their land or holdings. To help achieve this in a sustainable, plan-led way, it is important that development plans and national and local planning policies actively promote positive, enabling planning that delivers good quality development that meets future needs of rural communities. This area of policy has been the subject of summits with Scottish Government ministers and stakeholders, and there is a strong desire in some quarters for a more flexible approach. It is considered that this would enable more housing on farms or crofts, and this would have potential benefits in encouraging and facilitating the succession plans for farms and active crofts, so that it would be easier for a farmer who wishes to retire from active full-time farming to have a house built on the farm. This would enable a new entrant more readily to take over farming and the outgoing farmer to stay on the land, something which in many cases would be popular. In future, it could also open up opportunities for more housing to be available in rural Scotland.

87 CRESR (2015) Affordable Housing in Scotland

88 Source: Scottish Government Statistics, Median House Prices.

89 N.B. Neither Argyll and Bute nor Western Isles data is included here, as data shows that neither local authority retain housing stock, with housing associations and partnerships instead managing social housing in those areas.

90 Scottish Government Statistics, Household Estimates (2017)

- **further consideration to be given to combining options for forestry with housing:** Scotland's Forestry Strategy 2019-2029<sup>91</sup> recognises that forests and woodlands can contribute to creating and sustaining thriving rural communities by supporting the provision of affordable housing. Forestry and Land Scotland (previously Forest Enterprise) has been active in enabling some housing provision, working with stakeholders such as housing associations and communities. There is more scope to combine new afforestation with small housing developments, particularly in the case of smaller land holders and community woodlands, as this could substantially improve the financial viability of the proposed afforestation or woodland scheme. This would thus play a role in enabling smaller land holders to gain from forestry, whilst also contributing more housing provision in rural Scotland. This policy approach would again require flexibility and collaborative working across forestry, planning and housing and other sectors
- **further consideration to be given to higher costs of rural housing:** The existing housing strategy takes account of the fact that the costs of provision of services and the cost of construction will be higher in rural Scotland, often much higher. Housing in much of rural Scotland is off gas grid; has no public water or sewerage service; has no or limited access to broadband; is inaccessible or distant from major urban centres and businesses and entails higher costs of building through distance from markets and businesses and higher costs of travel for workforce involved in construction

- **building new properties:** There can be significant barriers in building new homes in rural areas, due to a lack of affordable land on which to build, and a lack of construction firms willing to build houses on a small scale (i.e. a small number of houses within an area, rather than large scale housing developments<sup>92</sup>).

Scottish Government is dedicated to working with industry to address barriers to housing delivery, including in rural areas. This includes looking at ways to address skills needs and strengthening diversity within the sector. In March 2018, Scottish Government set up an independent Housing and Construction Skills Short Life Working Group looking at the short, medium and longer-term supply of a skilled housing construction workforce across Scotland. This group made a wide range of recommendations in its report, published in May 2019, and is carefully considering these, alongside industry and education partners.

In Programme for Government 2018/19, the Scottish Government committed to work on a vision for how our homes and communities should look and feel in 2040 and the options and choices to get there. Rural Scotland faces a number of specific challenges, as well as those which apply nationally, such as caring for our ageing population. To address these challenges, we need to deliver more of the right homes in the right places to meet the housing needs and aspirations of our rural communities, but also make the best use of our existing buildings too. A wealth of material was generated through the first round of stakeholder engagement in autumn 2018, and a report was published in May 2019. Scottish Government is preparing for further engagement on a draft vision, some specific themes and outline options later in 2019. This will provide another opportunity for stakeholders to share their views with Scottish Government.

## Digital connectivity

Internet connectivity is an issue for attracting people to live and work in an area, through ensuring they can remain connected and access a range of increasingly digital services. Connectivity also plays an important role in attracting business investment to ensure that individuals are no longer dissuaded by remoteness, with the use of big data and cloud storage, and file sharing becoming increasingly important to businesses.

- **long standing limited digital connectivity:** Digital connectivity, or a lack of it, is frequently cited as a barrier to organisations and individuals in rural Scotland becoming more digitally enabled and developing digital skills. Rural areas have a higher percentage of premises unable to access the Internet, with the problem particularly prominent in Islands and Remote rural areas<sup>93</sup>
- **very limited ultra-fast broadband:** In 2018, just 11% of premises<sup>94</sup> across rural Scotland had Ultra-Fast Broadband (UFBB) availability, compared to 57% of premises across the rest of Scotland. Just 0.1% of premises in Islands and Remote rural areas had UFBB availability
- **more limited access to supporting technologies:** Mobile phone coverage is also important for individuals and businesses. In 2018, 96% of urban areas in Scotland had 4G coverage from all operators; this fell to just 37% for rural areas (the lowest rate of 4G coverage of any UK country). Call coverage is similarly low for Scotland (53% of rural areas – again the lowest of any UK country). This lower coverage in rural areas is attributed to the difficulties in building mobile networks in 'areas of challenging terrain and with lower population density'<sup>95</sup>.

91 Scottish Government (2019) Scotland's Forestry Strategy 2019-2029

92 SCDI (2018) Housing Discussion Paper, Rural Commission

93 Ofcom (2018) [Connected Nations report](#)

94 N.B. 'Premises' relates to the number of available connections which provide an active broadband service, rather than the number of homes or business units.

95 Ofcom (2018) [Connected Nations report](#)

## Transport

Those living and working in rural areas face a number of transport challenges likely to constrain the ability of individuals to access learning and employment opportunities, suppliers to reach businesses, and for businesses to reach markets and customers.

- **availability, frequency, timetabling and routes of public transport:** For those who do not drive or have access to a car, public transport is often the only other option. Routes that are serviced by public transport can be slow, costly or infrequent and limited routes make it difficult to get about.<sup>96</sup> In a recent study by Scottish Rural Action, 30% of young people said that the cost of travel prevented them from accessing education whilst others indicated that it was “inhibiting their educational choices, including access to extra curricular activities, FE and HE”.<sup>97</sup> The cost and time implications are also likely to be an important factor for providers when making place-based decisions about where to focus their offer. Fewer people in rural areas report being satisfied with the quality of public transport delivered<sup>98</sup>
- **cost of private transport:** Rural communities tend to be more reliant on private transport, with the majority of adults driving every day, in contrast to only 32% of those in large urban areas. Residents are also exposed to higher fuel costs, with around half of residents in rural areas report spending more than £100 per month on fuel, compared to 38% in the Rest of Scotland<sup>99</sup>
- **poorer quality infrastructure:** Although not a universal issue, the quality of roads, in some rural areas can make travel particularly challenging.

## Childcare

Access to high quality and affordable pre-school and childcare provision is a critical issue in rural areas, allowing parents (particularly women) the opportunity to take up, sustain and progress in employment, education or training.

- **more limited access to affordable childcare and pre-school provision:** A lack of childcare can act as a barrier to taking up skills development and employment opportunities. The Scottish Government, in its response to the Commission on the Delivery of Rural Education accepted the recommendation that local authorities should work closely in partnership with voluntary and third sector services to facilitate viable wraparound care provision in rural areas where there is demand, seeking innovative solutions to support families.<sup>100</sup>

## Talent attraction and retention

It is increasingly important to attract and retain a more diverse population to live and work to build sustainable rural communities and ensure there are the skills to support economic growth. This requires a focus on attracting new talent in, seeking to persuade those who have left to return and ensuring opportunity for those considering leaving. These challenges require a wide strategic response to overcome:

- **difficulties in attracting and retaining employees:** Employers in rural and remote areas may find it difficult to source the volume and level of skills that they need because of challenges attracting workers to rural areas

- **perceptions of limited place attractiveness:** People of working age may be reluctant to move to rural areas due to perceptions of a lack of affordable and quality housing, poor transport connectivity, more limited access to services and a lack of childcare.

## Summary of issues impacting on skills including rural areas

The research has highlighted a range of key issues across rural Scotland which impact directly on skills including challenges around demographics, economic output, productivity, employment, the structure of the business base, skills shortages and gaps, qualifications, education and skills provision and the wider economic factors of housing supply, digital connectivity, transport, childcare and talent attraction and retention. These issues provide a focus for the activities of partners committed to the implementation of the Skills Action Plan For Rural Scotland. The evidence provides the rationale for building on existing opportunities and where necessary addressing gaps, and highlights key areas for links to other complementary activity to tackle the wider social and economic challenges.

<sup>96</sup> Pye, J. and Egget, K. (2009) [Barriers to Training and Skills Development in Rural Areas Learning Theme](#)

<sup>97</sup> Scottish Rural Action (2018) [Fare Enough: the impact of public transport costs on education and employment opportunities for young people in rural Scotland](#)

<sup>98</sup> Scottish Government (2018) [Rural Scotland: Key Facts](#).

<sup>99</sup> Scottish Government (2018) [Rural Scotland: Key Facts](#).

<sup>100</sup> <https://www.gov.scot/Resource/0042/00424848.pdf>

## 4: Developing the skills base of rural Scotland: Priority areas for action

### Introduction

Developing the skills base and maximising the potential for capitalising on opportunities is key to supporting inclusive growth aspiration in Scotland's rural areas. The desk-based research and consultations identified the key issues that impact on skills in rural areas for both individuals and employers, as set out in chapter 3. The series of three workshops with the steering group focused on these issues and provided the opportunity for in-depth discussion, identification and agreement of **five overarching priority areas** for action that can be progressed in the context of this skills action plan. Underpinning each of these priority areas needs to be a consideration of equalities.

As highlighted in chapter 1, successful implementation will require:

- a clear governance structure and dedicated resource to support the implementation, co-ordination and ongoing monitoring of delivery and impact of agreed actions
- development of a detailed implementation plan based on the actions set out in this plan, with requirement for review and amendment in response to changes in the operating context
- strategic alignment, whereby the skills action plan needs to link into the other sectoral, regional and sub-regional strategies identified as having relevance across rural Scotland, including the proposed rural economy framework
- recognition of the role of the delivery of actions in wider policy areas which have the potential to impact on the supply and demand of skills in rural areas, including housing, transport, digital infrastructure, childcare and talent attraction.

### Agreed priority areas for action

Each of the priority areas for action has a series of themes (TA.1-TE.2) to be addressed each with a number of complementary actions. There will be scope for additional activities to be developed to support these actions throughout the lifetime of the plan. These specific actions are a combination of:

- approaches, activities, interventions and programmes that are already underway in rural areas but are being:
  - considered for scaling up or rolling out into different geographies
  - 'flexed' to better meet needs of rural areas e.g. greater flexibility of delivery or funding
  - more intensively or widely promoted
- new approaches, activities interventions and programmes needed to plug a gap – which are either national or in the form of regional or sectoral pilots for subsequent review and evaluation.

**Priority area A: Better understand the skills rural employers need and align provision to support this**

- TA.1. Further embed and widen use of evidence based education and skills planning
- TA.2. Align education and skills provision and resource to the needs of employers and the rural economy
- TA.3. Capture the current and future skills needs of employers in rural areas through direct engagement.

**Priority area B: Provide individuals with accessible education and skills provision to secure, sustain and progress in their careers in rural areas**

- TB.1. Increase choice and accessibility of high quality education and skills development opportunities in rural areas and positively impact on transitions from school to FE and HE
- TB.2. Increase engagement to Scottish Apprenticeships (Foundation, Modern and Graduate Apprenticeships)
- TB.3. Raise awareness of opportunities for career development on offer in colleges and with local training providers.

**Priority area C: Develop the current workforce in rural areas through upskilling and reskilling**

- TC.1. Respond to the needs of employers' workforce in line with local demand
- TC.2. Support and encourage skills for the future with a particular focus on digital, leadership and management skills
- TC3. Encourage employers to understand their workforce development needs and access available support
- TC4. Support individuals seeking to change or progress in their careers.

**Priority area D: Build a secure pipeline for the future**

- TD.1. Highly localised Career Information Advice and Guidance (CIAG) that reflects local employment and training opportunities
- TD.2. Enable individuals and their influencers to make informed decisions and identify opportunities to develop their careers in rural areas
- TD.3. Create more workforce diversity in key sector with a significant rural footprint
- TD.4. Enhance work-based learning pathways in rural areas.

**Priority area E: Take a co-ordinated, strategic approach to tackling skills in rural areas**

- TE.1. Multi-agency and industry collaboration to address skills issues identified in rural areas
- TE.2. Promotion of opportunities in rural areas.

## Priority area A: Better understand the skills rural employers need and align provision to support this

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes	
<b>TA.1</b> Further embed and widen use of evidence based education and skills planning	<b>TA1.1</b> Maintain and further enhance the evidence base developed for the Skills Action Plan for Rural Scotland, strengthening knowledge around skills challenges, shortages and gaps to provide a robust basis for skills planning across rural areas	Ensure that the national evidence base for education and skills recognises and reflects issues affecting rural Scotland  Co-investment by national agencies with partners to develop a more localised evidence base that reflects the differences across rural areas	Lead: SDS  SFC, SE, HIE, South of Scotland Economic Partnership (SOSEP) <sup>101</sup> , SRUC, Lantra other Skills Councils and ILGs <sup>102</sup> and REPs <sup>103</sup>	£50K per 18 month cycle  £20K SDS contribution from evidence base team – but would require significant co-investment from other partners to facilitate 18 month updates	From June 2019 and in response to 18 month review	(Evidence based paper on skills needs and demands across rural Scotland, identifying thematic and sectoral priorities, to be reviewed by governance group at 18 months)  The skills needs of rural Scotland are more clearly articulated  Skills planning is more responsive to the distinctive needs of Scotland's rural areas	
	<b>TA1.2</b> Identify the need for sectoral or thematic research on the demands of the economy and issues specific to rural areas						
	<b>TA1.3</b> Encourage the use of SDS regional skills assessments by all relevant regional and local partners and relevant stakeholders	Promotion and signposting  Partner commitment to evidence based decision making	Lead: Steering group  All education and skills partners	Within existing resource	From June 2019	Enhanced evidence based decision making around skills provision	

<sup>101</sup> South of Scotland Enterprise (SOSE) will begin its formal legislative operation from 1 April 2020

<sup>102</sup> ILGs (Industry Leadership Groups).

<sup>103</sup> REP (Regional Economic Partnerships)

**Priority area A: Better understand the skills rural employers need and align provision to support this**

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TA.2</b> Align education and skills provision and resource to the needs of employers and the rural economy	<b>TA2.1</b> Use the available evidence on skills demand and supply to effect change in support of the skills needs in rural areas	SDS will continue to work with SFC to develop a joint planning process to achieve skills alignment.  As part of the process, the needs of Scotland's rural areas will be embedded in all five stages of the skills alignment model – demand assessment, provision planning, commissioning, performance monitoring, and management and review  Aligning demand assessment with the outputs of the skill provision mapping, will form the basis for jointly commissioning provision through existing mechanisms e.g. ROAs, MA and other contracting arrangements	Lead: SDS, SFC	Within existing resource	From April 2020 then annual review	Establishment (when fully implemented) of a new collaborative process, which will help the planning and achievement of skills alignment  Enhanced evidence based decision making around skills provision in Scotland's rural areas
	<b>TA2.2</b> Partners to work together to address skills issues in rural areas, with improved collaboration/co-design/co-investment of curriculum, programmes and interventions	Promotion and signposting  Partner commitment to evidence based decision making	Lead: Steering group  SFC, SDS, HIE, SE, SOSEP, Education Scotland, SQA, awarding bodies and others	Within existing resource	From June 2019	Programmes and interventions better able to address skills issues in rural areas
<b>TA.3</b> Capture the current and future skills needs of employers in rural areas through direct engagement	<b>TA3.1</b> Explore the potential for wider use of the outputs from existing and/or proposed business panels and other existing data collection mechanisms in rural areas to develop greater clarity around current and future skills requirements and challenges	Identify existing mechanisms currently used by partners (likely to include HIE and SE Business Panels, Farm Advisory Service, DYW Regional Groups etc.)  Undertake short assessment of how they are used, including any limitations and gap filling required	Lead: HIE, SE  VisitScotland, DYW, FSB, Chamber of Commerce, Lantra, other sector skills councils, Business Gateway and others	Within existing resource	By March 2020 then annual review	(Wider and deeper engagement with employers in rural areas)  Greater clarity around current and future skills requirements and challenges of rural employers

**Priority area B: Provide individuals with accessible education and skills provision to secure, sustain and progress in their careers in rural areas**

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TB.1</b> Increase choice and accessibility of high quality education and skills development opportunities in rural areas and positively impact on transition from school to FE and HE	<b>TB1.1</b> Use of innovative approaches to deliver high quality education and skills including e-learning, digital technology, off-campus learning	Building on the existing resources of Dumfries & Galloway and Borders Colleges, development of the South of Scotland Skills and Learning Network. This uses a digital and physical hub and spoke network accessible to individuals, communities, school and businesses	Lead: SFC  Dumfries & Galloway and Borders Colleges	6.6 million committed through SOSEP	Underway (scheduled for infrastructure completion by 2020)	(Facilitate access to STEM hubs linked to a region wide digital infrastructure)  (Facilitate access to wider range of online training available through FE and HE partners e.g. Open University and UHI)  Provision of easier access to education and skills opportunities across all stages of the learner journey  Addresses the skills gaps identified e.g. engineering, construction and care
	<b>TB1.2</b> Extend and promote the use of flexible delivery models that facilitate evening, weekend and other forms of non-standard learning across all levels of education and skills development	The development of flexible delivery models in response to local need	Lead: SFC  Lantra, colleges, HEIs and local training providers	Within existing resource	From June 2019 then ongoing	Increase access to/widen choice of education and training opportunities in rural areas
	<b>TB1.3</b> Ensure profile of rural skills prioritisation in relevant ROAs			Lead: SFC		From 2019

**Priority area B: Provide individuals with accessible education and skills provision to secure, sustain and progress in their careers in rural areas**

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TB.2</b> Increase engagement across Scottish Apprenticeships (Foundation, Modern and Graduate Apprenticeships)	<b>TB2.1</b> Ensure that national campaigns for Scottish Apprenticeships have resonance in rural areas, incorporating case studies of individuals and employers that demonstrate opportunities, pathways and benefits for all	Continue to build/review promotion of content through existing channels  Increase the use of innovative communication channels to ensure far reaching engagement  Maximise use of relevant sectoral and regional events for promotion	Lead: SDS  DYW, Lantra, Colleges and other local partners	Within existing resource	From June 2019 with ongoing review	(Marketing campaigns which demonstrate the opportunities available in rural areas)  Increase the number of Scottish Apprenticeship opportunities in rural areas
	<b>TB2.2</b> SDS will pilot, monitor and evaluate new models of Modern Apprenticeship delivery, including shared apprenticeship models, taking into consideration the barriers to participation identified by small and micro businesses and ensuring engagement and co-design of delivery with industry partners	Building on an assessment of demand: <ul style="list-style-type: none"> <li>• pilot a forestry apprenticeship model with additional learning to support the demand for forest machine operators</li> <li>• monitor and evaluate the pathway in self-employment developed for Harris Tweed producers</li> <li>• raise awareness of potential to combine part-time work and an apprenticeship</li> </ul> Evaluation across all stages of delivery, including recruitment, induction, placement and assessment	Lead: SDS  Industry partners	Within existing resource	A shared apprenticeship pilot in agriculture is already underway in the north east of Scotland, and this will require annual review  Programmes including forestry machine operators are also currently being delivered	New models of apprenticeship delivery addressing the needs of small and micro businesses  Apprenticeship delivery aligning to the needs of specific sectors  If successful potential to develop a template or learning model which could be used in other sectors with strong rural footprint

**Priority area B: Provide individuals with accessible education and skills provision to secure, sustain and progress in their careers in rural areas**

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<p><b>TB.2</b> Increase engagement across Scottish Apprenticeships (Foundation, Modern and Graduate Apprenticeships)</p>	<p><b>TB2.3</b> Further raise awareness of the rural supplement for training providers in 'remote rural' or 'remote small towns', available since 2018/19 in 17 local authority areas</p>	<p>Promote the rural supplement to training providers</p> <p>Work with Lantra and other industry partners to raise awareness</p>	<p>Lead: SDS</p> <p>Lantra and industry partners</p>	<p>Within existing resource</p>	<p>Underway</p>	<p>(Delivery of a needs led postcode-based approach to address the effects of rurality on MA delivery)</p> <p>Training providers and employers have a greater understanding of support available</p> <p>More employers and training providers engaging with Scottish Apprenticeships, resulting in an increase in the number of apprentices in rural areas</p>
<p><b>TB.3</b> Raise awareness of opportunities for career development on offer in colleges and with local training providers</p>	<p><b>TB3.1</b> Plan and develop a package of case-study based marketing and communication materials around career opportunities, tailored to employers and individuals in rural areas</p>	<p>All partners to review existing materials relating to career opportunities across rural Scotland</p> <p>Initial collation exercise of available case studies, identifying gaps</p> <p>Where gaps exist, work together to share existing and develop new case studies that clearly demonstrate opportunities, pathways and benefits (Link to TC4.1)</p>	<p>Lead: Steering group</p> <p>SDS, Lantra, DYW regional groups SRUC, HIE, SE and others</p>	<p>In-kind contribution from SDS to undertake initial collation exercise and gap analysis</p>	<p>By December 2019</p> <p>From January 2020 then annual review</p>	<p>(Overview and gap analysis of existing case studies to support career development in rural areas)</p> <p>(Case studies of career opportunities and pathways in rural areas)</p> <p>Increased understanding of the scope of career opportunities available in rural areas</p>

## Priority area C: Develop the current workforce in rural areas through upskilling and reskilling

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TC1.</b> Respond to the needs of employers' workforce in line with local demand	<b>TC1.1</b> Develop an effective response to the identified needs of employers in rural areas including: <ul style="list-style-type: none"> <li>• upskilling and reskilling opportunities in sectors relevant to growing the rural economy</li> <li>• provision of a more cohesive offer for SMEs in rural areas</li> </ul>	Build on initial work undertaken by Skills for Farming to further develop and promote the Employers Toolkit for Apprenticeships and Work Placements	Lead: Skills for Farming group	£20K contribution from SDS	From June 2019	Employers in rural areas are aware of and are clear how to access opportunities to upskill/reskill their workforce
		Learning lessons from this approach, expand its use to other sectors with significant rural footprint e.g. hospitality	SDS, Lantra, SE, HIE, SOSEP, SFC, colleges, local delivery partners and industry	Within existing resource	From October 2019	Additional CPD upskilling/reskilling opportunities
		Recognition that the specific needs of rural businesses has precipitated a planned change in procurement for Skills for Growth away from a national approach, dividing into two lots (1) Highland and Grampian and (2) Rest of Scotland (Link to TC3.3)	Lead: SDS	Within existing resource	From October 2019	Additional funded business support targeted at rural areas
		Maximise opportunities available to upskill and reskill through the Flexible Workforce Fund	Lead: SFC  Colleges	Within existing resource	From June 2019	

## Priority area C: Develop the current workforce in rural areas through upskilling and reskilling

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<p><b>TC2.</b> Support and encourage skills for the future with a particular focus on digital, leadership and management skills</p>	<p><b>TC2.1</b> Embed digital skills in all workforce development offers in rural areas with a focus on:</p> <ul style="list-style-type: none"> <li>developing and embedding basic digital literacy to support individuals into digital or digitally enabled jobs</li> <li>supporting activity to develop skills to harness digital technology to maximise and transform business models</li> <li>helping create a culture of digital awareness across the rural economy</li> </ul>	<p>Signpost existing SDS offer in digital skills development, including Digital World (relaunched April 2019), Digital Xtra, Codeclan and Digital Start Fund</p> <p>Greater promotion of the five SDS pilot projects examining digital and cyber skills, to ensure rural coverage and engagement</p> <p>Work with partners to support individuals into digital jobs, assist individuals and employers to become more digitally capable and raise awareness of the range of support services available</p> <p>Signpost to complementary services including: DigitalBoost, Digital Development Loan Fund, E-Placement Scotland and the Digital Skills Partnership</p>	<p>Lead: SDS</p> <p>HIE, SE, SFC, SRUC and others</p>	<p>Within existing resource</p>	<p>Underway and ongoing</p>	<p>(Increased number of employers engaging with SDS and partners to access digital skills support)</p> <p>Increased numbers of individuals being trained in digital leadership and management skills</p> <p>Higher levels of digital skills amongst rural employees</p> <p>Increased awareness of the importance of digital technology to employers across rural Scotland</p> <p>Maximise benefit from existing offers and avoid duplication</p>

## Priority area C: Develop the current workforce in rural areas through upskilling and reskilling

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TC.3</b> Encourage employers to understand their workforce development needs and access available support	<b>TC3.1</b> Encourage employers in rural areas to review their training and workforce development needs through greater uptake of existing products and services e.g. Skills for Growth, Training Needs Assessments etc.	Effective promotion of partners' products and services	Lead: SDS  DYW, Lantra, colleges and other local partners	Within existing resource	From June 2019 then ongoing	Increased uptake of existing products and services by employers in rural areas
	<b>TC3.2</b> Greater promotion of the benefits of workforce development and a learning culture amongst employers					
	<b>TC3.3</b> Target employer engagement events in rural areas outlining the cross-agency support offer to rural employers to support skills development and growth	Build on existing employer engagement/networking events taking place in rural areas  Hold bespoke joint workshops to engage SMEs in rural areas to provide a cohesive business support offer that meets their specific needs (Link to TC1.1)	Lead: Steering group  HIE, SE, SDS, Lantra, DYW groups  Lead: SDS  SE, HIE, SOSEP Business Gateway	Within existing resource  Within existing resource	From June 2019 then ongoing  By June 2020 then ongoing	Increased awareness of support available to support business development and growth in rural areas

## Priority area C: Develop the current workforce in rural areas through upskilling and reskilling

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TC4.</b> Support individuals seeking to change or progress in their careers	<b>TC4.1</b> Further develop and enhance all age careers management offer to support those looking to upskill and reskill – ensuring its relevance to those in rural areas through: <ul style="list-style-type: none"> <li>• face-to-face services</li> <li>• digital content on My World of Work</li> </ul>	Develop additional case studies showcasing content of rural communities and sectors to upload to digital platforms (Link to TB3.1)	Lead: SDS  Lantra, SE, HIE, DYW and other local partners	Within existing resource	By December 2019 with ongoing review	(Access to additional content on My World of Work)  Individuals will have increased understanding of the support available to build their career management, work based and employability skills
		Build on LMI for rural areas to further enhance knowledge of careers information, advice and guidance (CIAG) staff on breadth and depth of opportunities for those upskilling and retraining	Lead: SDS		By June 2020	Individuals will be better informed about the range of opportunities available to them in rural areas through greater direct engagement with employers
		Review My World of Work job profiles to ensure appropriate coverage for rural areas and partner more effectively with industry and encourage them to link in to My World of Work job profiles. Highlight relevant content for those in rural areas and showcase challenges and opportunities	Lead: SDS		By June 2021	Individuals will be better informed about the range of opportunities available to them in rural areas through greater direct engagement with employers
		Align with My World of Work Live – ‘Virtual Experts’ – using video conferencing to bring experts in a range of careers into schools etc. giving young people real insight into the world of work	Lead: SDS  Industry partners		By June 2021	Individuals will be better informed about the range of opportunities available to them in rural areas through greater direct engagement with employers

## Priority area D: Build a secure pipeline for the future

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TD1.</b> Highly localised careers information, advice and guidance (CIAG) that reflects local employment and training opportunities	<b>TD1.1</b> Further strengthen and maintain the SDS local LMI resource for CIAG developed to support staff working in schools, with school leavers and post school/adults	Continue to maintain and update evidence based, localised LMI resources on an ongoing basis to provide an accurate, relevant and up to date picture of employment opportunities in rural areas that will support progression into sustained destinations. (Link to TA1.1)	Lead: SDS	Within existing resource	Underway with annual review  Supported by quarterly CPD sessions	(Ongoing maintenance and annual update of Local LMI resource)  (Scoping exercise to provide evidence base to determine future action)
	<b>TD1.2</b> Scoping exercise to determine value of utilising digital platforms to extend access to this resource by sharing with other partners e.g. school guidance teachers, DYW leads	Undertake scoping exercise with key partners engaged supporting individuals in securing, sustaining and progressing in their career	Lead: SDS  Local authorities, DYW	Within existing resource	By December 2020	Increase the reach of localised, evidence based LMI to underpin informed decision making
<b>TD2.</b> Enable individuals and their influencers to make informed decisions and identify opportunities to develop their careers in rural areas	<b>TD2.1</b> Equip individuals of all ages in rural areas with the career management skills (CMS), knowledge and self-awareness to develop aspirational career aims and the confidence to act as opportunities arise throughout the learner journey	Utilising the enhanced rural LMI evidence base, SDS will continue to develop our CIAG services, ensuring that the current and future workforce are equipped with the necessary CMS they require to achieve their potential	Lead: SDS	Within existing resource	Underway and ongoing	Individuals and their influencers will be better equipped to make informed decisions
		Ensure that Scotland's Apprentice Network, which uses current and former Foundation, Modern and Graduate Apprentices as ambassadors to encourage young people to follow in their footsteps is strong across rural areas and sectors with a strong rural footprint	Lead: SDS	Within existing resource	Launched March 2019	Increase the number of individuals taking up Scottish Apprenticeship opportunities

## Priority area D: Build a secure pipeline for the future

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TD2.</b> Enable individuals and their influencers to make informed decisions and identify opportunities to develop their careers in rural areas	<b>TD2.2</b> Collaborative careers influencer events and activities to raise awareness and understanding and challenge perceptions of opportunities available in rural areas and in sectors with a significant rural footprint e.g. land based industries, food and drink, tourism, energy areas	In collaboration with DYW, employer and industry champions build on current work with pupils, parents and teachers to increase understanding of available pathways and opportunities	Lead: SDS, DYW regional groups  Lantra, colleges, schools, SQA and employers	Within existing resource	Underway and ongoing	(Increased number of collaborative careers influencer events in rural areas)  A confident, skilled rural workforce, able to identify and capitalise on appropriate employment and learning opportunities within their area
	<b>TD2.3</b> Showcase the full range of opportunities in rural areas/sectors building on the work inspirational activities of DYW regional groups which work to facilitate greater engagement between schools, colleges and employers	Signpost to key resources including My World of Work and My Kids Career ( <a href="http://www.mykidscareer.com">www.mykidscareer.com</a> ), a website to help parents and carers understand current and future jobs in demand, the routes into these jobs, and tips on having career conversations	Lead: SDS  DYW regional groups, schools, colleges	Within existing resource	Underway and ongoing	
			Lead: Steering group  DYW regional groups	Within existing resource	From June 2019	

## Priority area D: Build a secure pipeline for the future

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TD2.</b> Enable individuals and their influencers to make informed decisions and identify opportunities to develop their careers in rural areas	<b>TD2.4</b> Embed entrepreneurship and self-employment as a positive and achievable career choice	Continue to raise self-employment as part of face to face CIAG  As part of the case study mapping exercise, draw on existing and develop additional case studies to demonstrate learner journeys and career progression into self-employment (Link to TB3.1)	Lead SDS  DYW regional groups, schools, regional colleges	Within existing resource	Underway	(Increased number of individuals considering self-employment as a career option)  Increased number of business start ups in rural areas
	<b>TD2.5</b> Integrate an understanding of the rural economy in the curriculum through developing materials to demonstrate career paths available in the rural economy, supported by case studies, conceptualised learning materials to support sector recognition, etc. and enhanced content on My World of Work	Develop additional case studies showcasing content of rural communities and sectors to upload to digital platforms (Link to TB3.1)  Education Scotland will support conversations with key stakeholders to incorporate the rural economy agenda into their planning as appropriate and align this with the Career Education Standard 3-18 and other education priorities	Lead SDS  SDS, Lantra, DYW, SRUC, HIE and others  Lead Education Scotland  SDS, DYW regional groups	Within existing resource	From December 2019  By June 2021	The potential and opportunities on offer to live, work and study in rural areas are clearly visible to young people in schools

## Priority area D: Build a secure pipeline for the future

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TD3.</b> Create more workforce diversity in key sectors with a significant rural footprint	<b>TD3.1</b> Building on existing research, prepare a short research paper, focusing on evidence of occupational segregation in sectors with a significant rural footprint  This output will be used to inform and capitalise on current work by partners to enhance diversity in key sectors to include education and skills choices through to employment and career progression	An assessment of the issues and barriers for individuals with protected characteristics from accessing training and entering the workforce in rural areas	Lead SDS  SE, HIE, SOSEP, VisitScotland, FSB, Lantra and others	Within existing resource	By June 2020	(Better understanding of the scale of the equalities challenge in rural areas)  Increase the number of individuals with protected characteristics in the workforce
	<b>TD3.2</b> Identify positive examples and role models to build case studies for use in schools, colleges etc. to demonstrate opportunities and pathways in rural areas and seek to embed the equalities agenda across all programmes and initiatives	Development of case studies (Link to TB3.1)	Lead SDS  Lantra, DYW regional groups, SRUC, SE, HIE and others	Within existing resource	By June 2020 and ongoing	

## Priority area D: Build a secure pipeline for the future

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TD4.</b> Enhanced work based learning pathways in rural areas	<b>TD4.1</b> SDS will continue to work to grow the volume of Foundation Apprenticeship delivery in rural areas. Working with industry partners, SDS will ensure that the Foundation Apprenticeship offer meets the needs of employers in rural areas	Review Foundation Apprenticeship uptake (by school) in rural areas on an annual basis and work closely with local partners and industry to agree actions to maximise opportunities  SDS regional partnership and delivery managers will work to promote the FA offer available in rural areas	Lead: SDS  Schools, DYW local authority contacts and regional groups	Within existing resource	Underway with annual review	(Employers will have clearer understanding of the FA frameworks available)  Increased number of FA opportunities in rural areas  Increased uptake of FA opportunities in rural areas
	<b>TD4.2</b> Working with industry partners, SDS will assess the pathways for new work-based learning qualifications at SCQF Level 4/5 to assess deliverability in rural areas	Delivery of an initial pilot of a new work-based learning Level 4/5 qualification in the Highlands and Island, evaluating this in the Hospitality and Construction sectors	Lead: SDS  Industry partners and SQA	Funding is in place for the pilot but further expansion would require the confirmation of additional resource (particularly for rural delivery)	April 2019 to June 2020	Successful implementation would lead to employers and individuals having increased awareness of and access to work based learning  Increased uptake of work based learning opportunities  Potential expansion of qualification into other sectors – evaluation dependent
	<b>TD4.3</b> Delivery of a pilot pre-apprenticeship programme	Developed in collaboration with Machinery Rings, SFC and Lantra, SDS will support delivery of three pre-apprenticeship pilots  These will provide a new entry route for young people to undertake a 6-month work placement and progress to a Modern Apprenticeship  A steering group will be established to oversee delivery of the project and evaluate the pilot programme	Lead SDS  SFC, Lantra, SRUC, Borders College, and Machinery Rings	Funding in place for the three pilots	February 2019 to November 2019	New entry routes for young people into the land-based sector  Potential increase in MA uptake, as young people realise the benefits of work-based learning and industry recognised qualifications  Strengthened industry partnerships

## Priority area E: Take a co-ordinated, strategic approach to tackling skills in rural areas

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TE.1</b> Multi-agency and industry collaboration to address skills issues identified in rural areas	<b>TE.1.1</b> Establishment of steering group with clear Terms of Reference to support implementation	Build membership from organisations on the steering group that jointly developed the Skills Action Plan for Rural Scotland, extending membership to ensure coverage across sectors with a key role to play in supporting the inclusive growth aspirations of rural areas	Lead: SG  SFC, SDS, HIE, SOSEP, SE, Lantra, SRUC, NFU, VisitScotland, Education Scotland, STF, and industry	In-kind support from partners  Within existing resource	From June 2019	(Establishment of a governance group to shape and support inclusive growth across Rural Scotland)  (Establishment of a steering group to support implementation)  More co-ordinated, strategic approach to tackling skills issues in rural Scotland
	<b>TE1.2</b> Establishment of a governance group to oversee progress		Lead: SG		From June 2019	Increased inclusive economic growth in rural areas

## Priority area E: Take a co-ordinated, strategic approach to tackling skills in rural areas

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TE.1</b> Multi-agency and industry collaboration to address skills issues identified in rural areas	<b>TE1.3</b> Undertake a skills provision mapping exercise in rural areas	Map the volume, type and delivery location of education and training opportunities on offer across rural areas in Scotland to develop a picture of provision through: <ul style="list-style-type: none"> <li>• colleges</li> <li>• universities</li> <li>• Scottish Apprenticeships</li> </ul> Undertake a scoping exercise to look at: <ul style="list-style-type: none"> <li>• widening out the mapping to include activities of private and third sector training providers</li> <li>• including workforce development activities e.g. through Workforce Development Fund, SE and HIE leadership and management training</li> <li>• understanding the prevalence of digital skills in the workforce, at what level and where gaps exist</li> </ul> Identifying a 'platform' for dissemination through exploring potential of existing mechanisms or the need for a bespoke solution	Lead: SFC, SDS  HIE, SE, SRUC, Lantra and other sector skills councils, STF, FSB and others	SDS support for initial proposal development  Wider partner resource contribution required to be able to undertake: <ul style="list-style-type: none"> <li>• scoping exercise (C. £5K)</li> <li>• mapping exercise (C. £50K)</li> </ul> Costs dependent on solution identified	Proposal developed within 3 months of establishment of steering group.  Scoping exercise within 9 months of establishment of steering group (resource dependent)  Completion of skills mapping within 18 months (resource dependent)  By 2021 (resource dependent)	(Clear map of current skills provision across rural Scotland)  Facilitation of a strategic approach to gap filling, collaboration, co-ordination and promotion  Partners have a greater understanding of the skills system, provision of education and training, and the challenges and opportunities of delivery in rural areas  Development of a platform/ resource detailing existing education and training provision to support a collaborative approach to provision among partners

## Priority area E: Take a co-ordinated, strategic approach to tackling skills in rural areas

Theme	Action	Activities	Lead and partners	Resource implications	Timescales	(Interim) outcomes
<b>TE.1</b> Multi-agency and industry collaboration to address skills issues identified in rural areas	<b>TE1.4</b> Develop rural skills learner journey pathways across relevant college and university Regional Outcome Agreements (ROAs) with particular emphasis on Highlands and Islands and South of Scotland regions	Work closely with colleges and universities to develop rural skills learner journey pathways	Lead SFC:  Colleges, SDS	Within existing resource	From June 2019	Development of learner journey pathways for individuals across rural Scotland
<b>TE.2</b> Promotion of opportunities in rural areas	<b>TE. 2.1</b> Compile a calendar of relevant scheduled events (national, regional and sectoral) to target key messages, ensuring rural skills becomes part of the mainstream agenda	Partners to develop and agree key messages  Partners to commit to scanning for relevant events to add to an events calendar	Lead: Steering group	Within existing resource	By December 2019	Key rural messages embedded in mainstream agenda



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