Skills Investment Plan
for Highlands & Islands
Skills Action Plan: 2019–2023
The Highlands & Islands is a unique area within Scotland, with significant natural capital and a population with a proud tradition of resilience and innovation.

Just as its geography and people are its greatest assets, they can also present a distinct set of skills needs that require solutions which are sympathetic to local need and circumstances.

In 2014, the Highlands & Islands Skills Investment Plan (SIP) was published to respond to this challenge. Five years later, it is timely to review progress to ensure that we collectively focus on meeting the region’s skills requirements.

The SIP was launched at the Convention of the Highlands and Islands (COHI) in October of that year. Its development was led by Skills Development Scotland (SDS) in collaboration with Highlands & Islands Enterprise (HIE), the Scottish Funding Council (SFC), local authorities, and other key partners including education providers and employers.

The SIP described the skills challenges and opportunities for the region and set out the partners’ response. It covered the six local authorities of the Highlands & Islands (Argyll & Bute, Eilean Siar, Highland, Moray, Orkney Islands and Shetland Islands) as well as North Ayrshire (which includes the Isles of Arran and the Cumbraes). Several local skills plans stemmed from the original SIP.

At that time, a commitment was made to progress the actions identified and establish a Programme Board to oversee implementation of the SIP. These commitments were met and this document details the progress made by partners who worked collaboratively to deliver actions relating to the key themes.

However, the Highlands & Islands economy and demography have changed since 2014 and are forecast to change in the future. Therefore, a refreshed skills response is required.

The aims of revisiting the SIP are to review the key strategic themes alongside the existing evidence base and to consider the strategic and policy developments of the last five years. These activities will establish the relevance of these strategic themes to the key challenges facing the Highlands & Islands today.

This refresh will provide a renewed strategic framework through which the Enterprise and Skills agencies and other key partners can work collaboratively to address these labour market challenges and contribute towards transformational change to make the Highlands & Islands a more productive and career-enhancing place for people and businesses.

Foreword
The role of the programme board
The Highlands & Islands SIP Programme Board was formed from the COHI Short Life Working Group and has led on monitoring and reporting the implementation of the 2014-2018 Highlands & Islands SIP Action Plan. The Programme Board has been chaired by Norman MacDonald, Convenor of Comhairle nan Eilean Siar, and has met quarterly since November 2015 in venues across the Highlands & Islands.

The Programme Board meetings enable partner updates and discussion on regional and local skills issues, talent attraction initiatives, and Developing the Young Workforce (DYW) activity. A Highlands & Islands SIP Evidence Advisory Group was also established to provide greater co-ordination of regional and local research and analysis to inform investment.

Our approach
The existing SIP was published in 2014 and based around five themes of:
- meeting the skills needs of employers
- anticipating future skills requirements
- increasing opportunities for young people
- people attraction and place attractiveness
- strengthening the employer voice.

At a Programme Board workshop in July 2018, these themes were revisited, and progress measured against the original Action Plan. The findings were reported to COHI in October 2018, where it was agreed the SIP should be updated. It was also agreed that any updated plan should articulate an up-to-date skills narrative and develop a coherent, responsive, and collaborative set of actions that key regional partners can follow to respond to current and future skills challenges and opportunities.

In 2019, the relevant economic and labour market data was analysed, and existing strategies, policies and national, regional, and sectoral plans considered. More than 50 regional stakeholders were consulted to validate and interpret the emerging key messages on the changing economic and policy context, and to subsequently identify future priorities.
Since its launch, the Highlands & Islands SIP has achieved significant traction across the region. The review of SIP activity between 2014-18 highlighted significant progress in several areas. A summary of the review follows, but some headline achievements are noted here:

<table>
<thead>
<tr>
<th>Improved co-ordination of skills research and analysis</th>
<th>Modern Apprenticeships (MA) expansion aligned to growth sectors</th>
<th>Enhancement of UHI academic and physical infrastructure</th>
<th>Effective regional partnerships in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of a robust evidence base supporting skills planning</td>
<td>2,758 MA starts delivered in 2017/18 – 10% above SIP target</td>
<td>The period 2013/14 to 2017/18 has seen a 24% increase in UHI FTE students and:</td>
<td>Inverness and Highland City Region Deal investment in skills</td>
</tr>
<tr>
<td>New funding streams benefited the region: Digital Xtra, Transition Training Fund, Flexible Workforce Development Fund, Low Carbon Skills Fund</td>
<td>UHI work-based learning hub established and facilitating growth closely aligned to growth sectors</td>
<td>In higher education:</td>
<td>Highlands &amp; Islands Science Skills Academy, Newton Rooms &amp; Digital Hub established</td>
</tr>
<tr>
<td>Greater focus on coordinating efforts of talent attraction and retention</td>
<td>New innovative work-based learning pathways and delivery introduced</td>
<td>In further education:</td>
<td>Developing rural growth and island deals aiming to benefit skills provision</td>
</tr>
<tr>
<td>Innovation in education delivery through UHI, e-Sgoil &amp; other local authority platforms</td>
<td>Higher proportion of school leavers going on to positive destinations compared to the rest of Scotland</td>
<td>Main increases in:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• education • biological sciences • physical sciences • computer science</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Additional 1,300 HE funded places available 2018-2020</td>
<td>FE credits increased reflecting more hours of learning provided</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Local skills plans produced and driven at local authority and sub-local authority level</td>
</tr>
</tbody>
</table>
In 2018, lead partners were asked to identify their activity against each theme, and this has been collated and progress is presented using the following appraisal method:

<table>
<thead>
<tr>
<th>N/A</th>
<th>No progress not complete</th>
<th>Some progress development activity occurred, partially complete</th>
<th>Good progress almost complete</th>
<th>Met aspiration or target action complete</th>
<th>Exceeded aspiration or target action complete</th>
</tr>
</thead>
</table>

The findings of the evaluation are summarised here:

**Theme 1 – Our investment in skills must meet the needs of employers**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the uptake of Modern Apprenticeships in Highlands &amp; Islands</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Establishing industry led skills provision</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>The immediate needs of employers in key sectors</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Support skills and pathways in forestry</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Regional Outcome Agreements to support growth sectors</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Enable increased entrepreneurship in the region</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Develop skills provision for professional chefs</td>
<td>Some progress – development activity occurred, partially complete</td>
</tr>
</tbody>
</table>

**Theme 2 – Planning for the future**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business services skills assessment</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Construction provision research</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Using the single Highlands &amp; Islands Regional Outcome Agreement</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Future skills research across key sectors</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Healthcare skills partnership</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Highlands &amp; Islands Science Skills Academy</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Inward investment opportunities across the region</td>
<td>Some progress – development activity occurred, partially complete</td>
</tr>
</tbody>
</table>
Findings of the evaluation continued:

### Theme 3 – A region for young people

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apps for Good</td>
<td>Exceeded aspiration or target – action complete</td>
</tr>
<tr>
<td>Enhance careers services</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Commission for DYW</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Energy Future Workforce Programme</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Certificate of Work Readiness</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Scotgrad</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Young People in Highlands &amp; Islands research</td>
<td>Met aspiration or target – action complete</td>
</tr>
<tr>
<td>Go-North: Digital skills for young people</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>STEMNET teacher/pupil events in life sciences</td>
<td>Good progress – almost complete</td>
</tr>
</tbody>
</table>

### Theme 4 – People attraction and place attractiveness

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rollout of superfast broadband</td>
<td>Good progress – almost complete</td>
</tr>
<tr>
<td>Regional and local marketing campaigns to promote the career and lifestyle opportunities in the region</td>
<td>Some progress – development activity occurred, partially complete</td>
</tr>
<tr>
<td>Establish campus facilities/lifestyle experiences</td>
<td>Some progress – development activity occurred, partially complete</td>
</tr>
<tr>
<td>Talent Highlands &amp; Islands</td>
<td>Some progress – development activity occurred, partially complete</td>
</tr>
</tbody>
</table>

**Since this 2018 evaluation there has been continued delivery against all four themes and in particular an increased focus on people attraction and place attractiveness nationally, regionally and locally.**
In 2019, a wide-ranging review of evidence was completed and is summarised in this report. It suggested that many of the economic drivers identified in the previous SIP remain current. Therefore, many of the themes identified previously are still relevant.

The report establishes how best to meet these issues and the extent to which current activity is suitable or requires review. This exercise was undertaken with an awareness of:

- the anticipated economic conditions – increased productivity but slower employment growth and rising demand for higher level professions, growth focused on key sectors with pre-existing skills shortages, including child and day-care, construction, financial and business services, and digital and ICT

- the increasing importance of talent attraction and retention for the Highlands & Islands, which will be exacerbated by Brexit

- the opportunities and challenges stemming from Industry 4.0 – providing vocational skills in areas of job growth along with the meta-skills to adapt to changing employment conditions

- the First Minister’s declaration of a global climate emergency and the urgency to move to a low carbon economy.

Additionally, there has been a divergence of performance between parts of the Highlands & Islands over recent years, and uneven growth could lead to greater disparities in the future.

While some skills needs within the region may be common, the geography means that many locations are in effect their own self-contained labour market which brings challenges around having the right skills mix in each place. Considering issues such as population challenges in fragile communities is imperative to the Action Plan.
The potential economic and community benefits that can be realised from emerging space sector opportunities are significant, and the characteristics of the region mean it is uniquely placed to capture them.

Image credit: Orbex
The changing policy context and regional opportunities

UK policy context
While skills and training are devolved matters for Scottish Government, several UK Government initiatives also provide a backdrop to any skills plan. These initiatives include the Apprenticeship Levy, the Industrial Strategy, the UK Shared Prosperity Fund which will replace EU European Structural and Investment Funds, as well as long-term investment projects such as City Deals and Regional Growth Deals – including the Inverness and Highland City Deal and emerging rural and islands deals.

While the uncertainty surrounding Brexit indicates that its full impact is yet to be entirely understood or felt, many economic experts forecast significant negative impacts on the wider UK economy with the potential for severe consequences around economic growth, employment, and real incomes.

Scottish policy context
Scotland’s Economic Strategy was launched in 2015, setting out the Scottish Government’s aims of increasing competitiveness through enhanced productivity and tackling inequality through increased participation in employment. These aims align with the current focus on inclusive growth, which prioritises sustainable economic growth and equitable distribution of the benefits stemming from this growth. Investment in skills is recognised as a key pillar which will support these aims, as well as complementary agendas such as Widening Access and the 15-24 Learner Journey.

Enterprise and Skills Review
In 2016, an Enterprise and Skills Review proposed closer alignment of Scotland’s Enterprise and Skills Agencies with a view to delivering Scotland’s Economic Strategy. The Enterprise and Skills Strategic Board was established to oversee the work of the agencies and published their first strategic plan in October 2018.

Skills planning
To enable this closer alignment, a five-stage skills alignment skills planning model has been proposed to bring together the supply and demand sides of the skills system to meet the needs of the Scottish economy more effectively. Additionally, the plan calls for greater focus upon defining the meta-skills required for an agile and adaptable workforce in the face of digital disruption and Industry 4.0.

Following the publication of the original SIP, a range of sectoral and regional SIPs were developed or updated by SDS. Some of the priorities in these plans are particularly relevant to the Highlands & Islands. For instance, the priorities and actions in the Skills Action Plan for Rural Scotland are interlinked with the SIP and reinforce the need to distinguish the specific issues and characteristics of all rural parts of Scotland.

Highlands & Islands policy context
Further national and regional policy developments since 2014 bear relevance to the Highlands & Islands. For instance, talent attraction and retention has long been a key issue for the region, but it has become even more pressing at both a national and regional level after the Brexit vote. Informed by HIE’s research on the attitudes and aspirations of young people, HIE led on the development of a Highlands & Islands Talent Attraction and Retention Strategy.

Protecting Scotland’s Future, the Government’s Programme for Scotland 2019/20 has a clear focus and urgency on addressing the global climate emergency and related low carbon skills. The Scottish Government Fair Work ambitions and principles have a direct impact on both skills and funding.

A range of local skills action plans have also been developed following the launch of the original SIP. The Arran Skills Plan, for instance, was developed and led by the Arran Skills Group with a view to understanding and addressing skills issues on Arran. The Skills Group reconvened in December 2018 at a facilitated session led by Adam Smith Business School at the University of Glasgow. The purpose of this session was to collectively agree on a small number of action areas through which to address some of the skills challenges facing the island, both now and in the future.
Regional opportunities
The HIE Strategy 2019-22 highlights a full range of regional strengths and opportunities including:

Fort William Masterplan 2040 – 20 projects which, cumulatively, will transform the town as a place to live, work and study.

Space – The potential economic and community benefits that can be realised from emerging space sector opportunities are significant, and the characteristics of the region mean it is uniquely placed to capture them.

Technology, engineering and manufacturing – The region has a strong base of specialist engineering and manufacturing businesses, serving multiple sectors and building international competitiveness.

Energy – The low carbon economy and renewables sector contributes significantly to the region and represents a major economic, social and industrial opportunity, while the oil and gas industry will continue to play a key role in supplying energy and affording the skills and expertise to support our transition to a highly productive, low carbon future. The whole region is exceptionally well-placed to capitalise upon on decommissioning and the commitments of UK and Scottish Governments.

Marine economy – The region’s unique marine resource has created and maintained valuable economic opportunities for generations in sectors as varied as aquaculture, fisheries, life sciences, tourism, marine engineering and renewable energy.

Tourism – The benefits of tourism reach every part of the region, from cities and towns to rural and remote communities. The continued appeal of the region as a world class visitor destination presents a major opportunity for the region’s businesses and communities to grow and flourish.

Many additional policy developments also provide important reference points at a regional level:

• the National Gaelic Language Plan
• provision for a National Islands Plan through the Islands (Scotland) Act 2018
• key local authority economic development and skills strategies
• increased alignment between HIE, SDS and SFC strategic plans.

In addition, construction touches every part of the region’s economy, communities and society. The industry is an important driver of the wider economy due to the impact construction investment has on other sectors. Meeting the demand for housing, particularly affordable housing in rural and island communities, will be key to the future success of the region.
A detailed and comprehensive socio-economic and skills analysis of the Highlands & Islands was completed, and the key headlines are:

- **Gross Value Added (GVA) Growth**: Growth in Highlands & Islands has been lower than the Scottish average and this trend is forecast to continue over the next decade – 13% in the region compared to 18% nationally.

- **Productivity**: Productivity as measured by GVA per job varies considerably across the region. The average for Highlands & Islands is just over £41,000 per job, which is significantly lower than the Scottish average of £47,000.

- **Population**: A 5% drop in the number of people of working age living in the region is predicted by 2028. Hence, the deficit between the number of jobs expected for Highlands & Islands and the supply of working age people living in the region is predicted to widen.

- **Dependency Ratio**: The region’s dependency ratio (the relationship between working and non-working age population), will increase from 63% in 2016 to 85% by 2041. This means 85 non-working age people are expected to be dependent on every 100 working-age people by 2041. This will be far higher than the national dependency ratio which is expected to reach 70%.

- **Local Authority Dependency Ratios**: By 2041, individual local authority dependency ratios are forecast to range from 79% to 95%, with Shetland forecasting the lowest ratio of 79%, while Argyll & Bute and Eilean Siar forecast highest dependency ratio of 95%.

- **Employment**: While employment has generally increased across the region since 2006, it has fallen over the period in Argyll & Bute and Eilean Siar.

- **Population Growth**: Between 2006 and 2018, there has been a 4% increase in the region’s population – slightly lower than the 6% growth in Scotland as a whole. Again, there have been major differences across the region with population falling in Argyll & Bute, Eilean Siar and North Ayrshire.

- **Future Population**: Over the next 10 years, the total population in the region is expected to remain broadly static (a modest 1% increase compared to 3% in Scotland). The regional story, however, masks a more nuanced picture at sub-regional level, with areas continuing to lose population.

- **Population Decreases**: Significant population decreases are projected for Eilean Siar and Argyll & Bute in particular and smaller decreases projected for Orkney and Shetland.
**Business base**

**Increase in business base:**
The number of businesses operating across the region has increased by 11% (c. 2,225 businesses) since 2010. Whilst representing strong growth, the national increase over the same period was 20%.

**Greater prevalence of businesses in agriculture, forestry and fishing:**
This sector accounts for 24% of all businesses, compared to 10% across Scotland, followed by construction (12%), professional, scientific & technical (11%) and accommodation & food services (10%).

**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 employees) than in the rest of Scotland at 87%, and a lower share of employers with 50+ employees, 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.

### Business by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing (A)</td>
<td>24.1%</td>
</tr>
<tr>
<td>Construction (F)</td>
<td>12.3%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical (M)</td>
<td>11.1%</td>
</tr>
<tr>
<td>Accommodation &amp; food services (I)</td>
<td>9.6%</td>
</tr>
<tr>
<td>Retail (Part G)</td>
<td>7.4%</td>
</tr>
<tr>
<td>Business administration &amp; support services (N)</td>
<td>6.2%</td>
</tr>
<tr>
<td>Art, entertainment, recreation &amp; other services (R, S, T)</td>
<td>6.0%</td>
</tr>
<tr>
<td>Manufacturing (C)</td>
<td>5.2%</td>
</tr>
<tr>
<td>Health (Q)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Transport &amp; storage (inc postal) (H)</td>
<td>3.0%</td>
</tr>
<tr>
<td>Motor trades (Part G)</td>
<td>2.6%</td>
</tr>
<tr>
<td>Property (L)</td>
<td>2.4%</td>
</tr>
<tr>
<td>Information &amp; communication (J)</td>
<td>2.2%</td>
</tr>
<tr>
<td>Wholesale (Part G)</td>
<td>2.2%</td>
</tr>
<tr>
<td>Mining, quarrying &amp; utilities (B, D &amp; E)</td>
<td>1.1%</td>
</tr>
<tr>
<td>Education (P)</td>
<td>0.9%</td>
</tr>
<tr>
<td>Financial &amp; insurance (K)</td>
<td>0.6%</td>
</tr>
<tr>
<td>Public administration &amp; defence (O)</td>
<td>0.1%</td>
</tr>
</tbody>
</table>
A range of issues regarding the supply of and demand for skills in the Highlands & Islands have implications for the Highlands & Islands SIP Action Plan.

These issues are identified within the context of ongoing Brexit uncertainty, with the Highlands & Islands having double the UK average of small businesses that employ EU citizens, as well as the wider importance of EU markets for key sectors such as fishing, aquaculture, food & drink and tourism. Additionally, supply and demand must be considered within the context of digital disruption and the opportunities and threats technological change brings with it.

Bringing together the projections on employment demand and supply of resident labour, over the next decade there will be a clear widening of the deficit between the number of jobs that are expected for the Highlands & Islands and the supply of working age people living in the region.

Key headlines for the supply of and demand for skills are:

**Demand**
- the largest key sectors in the Highlands & Islands in 2018 were health & social care; tourism; construction; and food & drink. These are predicted to still be the largest sectors in 2028
- since 2014, there has been an increase of 4,500 jobs and most of this change has been driven by growth in the accommodation and food service sector (i.e. tourism) which grew by over 3,500 jobs
- overall employment in the Highlands & Islands is expected to fall by around 2,000 by 2028. In percentage terms the largest positive changes are expected to be in the construction industry (10%), administrative & support services (9%), and professional, scientific & technical activities (8%)
- the region has a higher proportion of skilled trades occupations, but a lower proportion of professional occupations
- over the next 10 years, the biggest positive change in percentage terms will be in child day-care activities, construction, financial & business services, and digital & ICT
- there are expected to be 71,800 job openings between 2018 and 2028, which will be driven by replacement demand. These employment opportunities are a key focus for the refreshed plan
- in 2017, 7% of employers reported a skills shortage vacancy which was slightly higher than the national level, with the biggest increases in skills shortages in caring, leisure and other services
- however, fewer employers in the Highlands & Islands reported skills gaps in 2017 compared with 2013 – 13% in 2017 and 21% in 2013
- the key sectors in relation to Gaelic speakers and where Gaelic can bring significant economic value are public administration, creative industries, education and tourism.

The largest key sectors in the Highlands & Islands in 2018 were **health & social care; tourism; construction; and food & drink.**
Other key issues affecting skills demand
There are also other key issues affecting the demand for skills in the Highlands & Islands over the coming years:

- Brexit will have major implications for the Highlands & Islands economy. It is estimated that 41% of small businesses in the Highlands & Islands employ EU citizens, more than double the UK average of 20%.

- Brexit will also have an impact on businesses that trade with the EU. It will also result in the loss of EU funding and the loss of significant numbers of EU migrant workers.

- Talent attraction and retention has long been a key issue for the region, but this has become even more important in light of the Brexit vote.

- It is estimated that around one in five current jobs in Scotland are at risk of automation over the next decade, with lower skilled jobs most at risk. This technological change also requires new skills for an adaptable and flexible workforce.

There are expected to be **71,800** job openings between 2018 and 2028.

In 2017, **7%** of employers reported a skills shortage vacancy.
Supply

- there is a higher proportion of school leavers in the region going on to positive destinations compared to Scotland as a whole. This is mainly down to higher numbers going into employment, including more than 12,000 Modern Apprenticeships delivered in the region between 2013/14 and 2017/18.

- rurality and perceived geographical isolation cause significant challenges to recruiting teachers in the Highlands & Islands. When schools are struggling to provide courses in certain subjects, this can impact on demand for FE and HE courses in the region.

- results from the recent HIE study on young people’s attitudes\(^1\) found almost half (46%) of respondents felt that the range of school subjects available to them will limit their post-school options. However, 70% of people studying in the Highlands & Islands choose to do so because of its educational offering and availability of courses.

- UHI is the largest university based in the region, covering the Highlands & Islands and Perth & Kinross. The UHI network consists of 13 independent partner colleges and research institutions.

- the new Inverness Campus has been a key development increasing the breadth of provision and is home to teaching and research centres/collaborative projects involving five different institutions.

- student enrolment in HE within the Highlands & Islands has grown steadily between 2013/14 and 2017/18 – a 21% increase to over 7,000 students compared to a 7% increase in Scotland as a whole.

- UHI was one of six universities and colleges to offer Graduate Apprenticeships in 2018.

- enrolment in further education has declined by 8% over the last four years but the number of credits has increased by 3%, reflecting more hours of learning provided.

- overall there has been limited change in the top ranked subject areas by FT student enrolment in HE and FE since 2013/14. In HE, the most popular courses have been business & admin and subjects allied to medicine; in FE, social care, culture/language and engineering have remained the top subjects.

- over the last four years the working age population has become more highly qualified with the proportion of people qualified to SCQF levels 7 – 12 increasing to 41%. However, this remains lower than the Scottish average of 44%.

- based on the Gaelic Language Labour Market report produced by SDS, Bòrd na Gàidhlig and HIE, there has recently been growth in the number of school pupils being taught Gaelic, as well as growth in HE/FE provision.

- 94% of FE Gaelic provision and around 60% of HE Gaelic provision is delivered by the University of the Highlands and Islands.

These headlines provide useful intelligence on the changing labour market in Highlands & Islands since 2014. They highlight challenges to effectively matching supply and demand that must be addressed. However, these headlines also portray a picture of diverse activities underway with a view to building a more resilient, flexible workforce for the region.

\(^1\) HIE (2018), Young People and the Highlands and Islands: Maximising Opportunities
The University of the Highlands and Islands (UHI) is the only university with significant coverage throughout the region. The region also benefits from the presence of other educational institutions.

Graduate Apprenticeship providers have a large geographical reach explained by the variety of delivery models that are being offered. Most universities offer blended learning with a mix of online and offline (campus attendance) delivery as well as work-based assessments.

### Further and higher education activity in the Highlands & Islands

- **Shetlands**
  - Shetland College UHI
  - North Atlantic Fisheries College

- **Orkney**
  - Orkney College UHI
  - Heriot Watt University

- **Caithness and Sutherland**
  - North Highland College UHI
  - Environmental Research Institute

- **Inner Moray Firth**
  - Inverness College UHI
  - Highland Theological College UHI
  - University of Aberdeen
  - Glasgow School of Art
  - SRUC
  - University of Stirling
  - University of Dundee
  - Robert Gordon University

- **Lochaber, Skye and Wester Ross**
  - West Highland College UHI
  - Sabhal Mòr Ostaig

- **Outer Hebrides**
  - Lews Castle College UHI

- **Argyll and Islands**
  - Argyll College UHI
  - University of Stirling
  - University of Dundee
  - Robert Gordon University

- **Moray Firth**
  - Moray College UHI
  - Glasgow School of Art

### Graduate Apprenticeships delivery institutions

![List of universities and colleges offering Graduate Apprenticeships in the Highlands & Islands](image-url)
As part of the SIP refresh, over 50 consultations with regional stakeholders were held to discuss the performance of the regional economy, the main skills issues, and the new Action Plan. The discussions informed several key themes for consideration, indicating the new framework should:

- take a more flexible and long-term approach to skills planning, considering political, economic, social and technological change
- build on what has been achieved to date
- align with the priorities in the national sector SIPs, particularly the Skills Action Plan for Rural Scotland
- simplify, not expand, the Programme Board governance structures and embrace greater partnership working
- provide both strategic guidance and detailed action at local level, act as a bridge between local need and national strategy, and actively highlight the skills needs of the region to government
- recognise the interdependencies between the region’s key skills issues and barriers around housing, transport, infrastructure and ICT connectivity
- increase focus on the public sector – most notably in health, social care and education.

Establishing a new skills vision
COHI seeks to strengthen alignment between the Scottish Government and member organisations to support sustainable economic growth. Seven key areas have been identified as being crucial to delivering a strong and vibrant economy post-2020: digital, transport, skills, talent attraction, marine, energy and housing.

There are strong interdependencies between skills and the other key themes and any new vision should demonstrate how the skills system will support the region’s wider ambitions.

New strategic themes
Based on feedback from stakeholders, the evidence review, and recognising shifting policy priorities, some minor changes are proposed to the SIP strategic themes:

- theme 1: Broaden the focus to address employers’ current and future skills needs
- theme 2: Strengthen the focus on shared knowledge and capability
- theme 3: Ensure that people of all ages have opportunities to study, train and work
- theme 4: Recognise the importance of talent attraction and interdependencies.

The four revised themes now have clearer alignment to supporting businesses, developing a strong and resilient skills system, creating the right skills in the workforce, and ensuring the region is an attractive place for people and businesses. The changes to the first three themes have been informed by the Strategic Board’s call for greater skills alignment and focus on outcomes.
Changes to the Action Plan
Based on the evidence base and consultations, the following tables set out each of the action areas with the rationale for the action, additional activity required, the outcomes that will be measured, and details on the organisations that will be taking a lead in delivering the actions. It is important that these new actions are further developed into a SMART implementation plan and that there is flexibility built in to adapt as new needs emerge. Appendix 1 details monitoring and measurement data sources.

New 10-year vision and themes

The Highlands & Islands will have a highly collaborative and responsive skills system for employers and learners that will increase productivity and inclusive growth, and support the ambition and sustainability of our communities.

- Meeting the skills needs of our employers
- Planning for the future and understanding the impact of our investment
- Building the workforce of the future
- People attraction, retention and place attractiveness
### Area of action 1: Meeting the skills needs of our employers

#### 1.1 Broadening apprenticeship provision and participation in key sectors for all ages, gender and backgrounds

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Scottish Apprenticeships are one of the main publicly funded mechanisms for delivering skills support to businesses (following HE/FE provision) and more needs to be done to encourage a step-change in skills investment by businesses | Promote apprenticeships to employers and people of all ages, gender and background | • national campaigns with local resonance  
• maximise regional/local events  
• focussed marketing for underrepresented groups | Skills Development Scotland  
DYW  
Training providers | Increased use of apprenticeships by employers leading to a higher skilled workforce  
Employers have improved access to required skills and talent resulting in fewer skills shortages and gaps  
Closer fit between supply and demand of skills and talent |
| Ensure apprenticeships and local provision meets the needs of businesses while addressing equality and diversity challenges | • increased employer engagement in the skills system  
• rural supplement and travel support explored  
• diversity baseline established, and actions identified and implemented | Skills Development Scotland  
DYW  
UHI  
Industry partners | | |
| Public sector has a greater understanding of Scottish Apprenticeships | • public sector evidence base  
• public sector school engagement (gender balance and STEM focus) | Local authorities  
NHS  
Other services | | |
| Pilot, monitor and evaluate new apprenticeships and alternate models of delivery, addressing barriers to participation for employers and individuals | • support rural MA provision including flexible delivery using technology  
• consider alternative MA delivery models | Training providers  
Skills Development Scotland | | |
### Area of action 1 continued: Meeting the skills needs of our employers

#### 1.2 Creating a culture of upskilling amongst employers and formalising skills support for the region’s SMEs

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Reduction in working age population and high levels of out-migration of our young people require urgent coordination of support to improve the skills of the existing workforce to improve productivity and retain the workforce | Ensure all local partners are clear on full employer offer and promote the whole package to businesses to drive up demand and activity | • new online single entry point including diagnostic to support place-based activities  
• business support partnership programme and Strategic Board missions  
• mapping of regional skills support including growth deal projects  
• local authority community planning partnership economic and skills sub-groups to drive local skills plan delivery | HIE  
Skills Development Scotland  
Business Gateway  
UHI  
SCDI  
Chamber of Commerce  
Local authorities | Increased business investment in skills  
Increase in apprenticeships  
Increased take-up and investment of other skills support  
Reduction in skills shortages skills gaps  
Higher skilled workforce  
Higher levels of productivity |
| Building on best practice to identify SMEs with growth potential (currently operating at the level below HIE account managed companies) | • develop local skills escalator programmes responding to local demand  
• ensure that SMEs have the processes in place to recruit and develop new staff and are apprentice ready  
• promotion of Fair Work framework practices and business pledge  
• build capacity to recruit apprenticeships | Business Gateway  
Skills Development Scotland  
HIE | Improved equalities outcomes  
Support for Inclusive Growth and Fair Work agenda |
| Develop skills offer to support businesses in Highlands & Islands | • upskilling and reskilling support in growth sectors  
• encourage employers to review training and workforce development (Skills for Growth)  
• promotion of innovation support for business (nationally, regionally and locally) | UHI  
HIE  
Skills Development Scotland  
Chamber of Commerce  
Innovation centres | |
**Area of action 1 continued: Meeting the skills needs of our employers**

### 1.3 Improving skills support for key inward investment projects

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Inward investment plays a key role in developing growth sectors and supply chains, driving innovation and productivity and facilitating transfer of skills and knowledge to indigenous firms | Team Scotland approach adopted by all agencies targeting significant growth, inward investment and business resilience | • multinational agency propositions  
• wider use of the outputs from existing business panels to inform propositions | HIE  
Skills Development Scotland  
UHI  
Local authorities | Increased number and value of inward investment projects and jobs created  
Enhanced multiplier effects from inward investment |
| Develop skills offer to support businesses to locate or expand in Highlands & Islands by navigating and influencing the skills education and training landscape | • mapping exercise of supply chain skills capability against growth sectors  
• ensure strong and robust intelligence in every inward investment proposition | Skills Development Scotland  
UHI | | Higher skilled workforce  
Higher levels of productivity |

### 1.4 Developing leadership, management and entrepreneurship skills

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Leadership and management is essential to achieving sustainable economic prosperity and growth  
Focussing on entrepreneurship will create a more growth-orientated business base | Build on and expand the existing leadership, management and entrepreneurship skills programmes to support more SMEs with growth potential | • co-investment from government and national/regional agencies including rural growth deal projects  
• expand training delivery in rural areas | UHI  
HIE  
SFC | Increased number of businesses investing training  
Higher skilled workforce and levels of productivity |
| Embed entrepreneurship skills from a young age and build on existing enterprise in work-based learning type activity | • raise awareness of business start-up/self-employment options through career information advice and guidance and DYW  
• support the expansion of enterprise-related education in all levels of education and address geographic equality of access | Local authorities  
DYW  
Skills Development Scotland  
Third sector entrepreneurship organisations | | More young people considering self-employment as a career option |
### Area of action 2: Planning for the future and understanding the impact of our investment

#### 2.1 Developing strategic foresight capacity in the region

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Partners need a clear picture of skills and occupation demand to respond effectively to the opportunities and requirements that will flow from City and Growth deals | Prepare to respond effectively to new policy and funding initiatives (withdrawal of EU funding and access to UK Shared Prosperity Fund) | • raise the profile of the region with government(s) and agencies to highlight the region’s unique economic and skills landscape  
• ensure the Highlands & Islands is fully integrated with national sector-based initiatives | Skills Development Scotland  
HISIP Programme Board | Improved understanding of future skills needs, and improved regional skills evidence base  
Effective allocation of skills funding  
Services responsive to national policies and strategies through delivery in a local context |
| Regional partners need to respond effectively to the Islands Act to ensure their services and policies are supportive and sensitive to the unique socio-economic needs of island communities | Ensure SIP aligns to COHI partner activity | • align any activity of the HISIP Programme Board with COHI senior officer group strategy actions and report biannually | Skills Development Scotland  
COHI Senior Officers Group | |
| Inform and support the development of a robust evidence base that details the regional challenges and opportunities | Inform regional transformational projects  
Develop a greater understanding of the potential impact of Brexit  
Implement the National Islands Plan | • continue to maintain and enhance the evidence base developed for the SIP  
• ensure the RSAs inform partners to plan effectively on skills and related investment  
• develop regional ‘horizon scanning’ to align to COHI workstream and develop coordinated responses  
• collate existing, initiate new, and disseminate research and analysis  
• influence proposed UK Government funding streams  
• partners respond effectively in relation to island proofing policies, strategies and services | Skills Development Scotland  
HISIP Programme Board  
Skills Development Scotland  
HIE  
UHI | National Islands Plan named authorities |
### Area of action 2 continued: Planning for the future and understanding the impact of our investment

#### 2.2 Ensuring a more integrated and transparent approach to skills planning/skills alignment

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Effective skills planning requires a partnership approach | SFC and SDS will work more closely to implement the five-stage skills alignment model | • develop a skills alignment process that draws on the learning from the National Skills Alignment pilots which will support the region’s key and growth sectors  
• a programme of engagement with employers to share knowledge of the business case for diversity, technical support for them in taking positive action in recruitment practice and signposting of recruitment incentives | SFC/Skills Development Scotland | Improved understanding of future skills needs, and improved regional skills evidence base  
Effective allocation of skills funding  
Services responsive to national policies and strategies through delivery in a local context |
| Significant replacement demand and growth in key sectors | Regional partners to work to deliver greater integration and embed an ‘agency fluid’ approach to skills development in support of education and skills provision to meet local need | • build on the Community Charter initiative with island local authorities to ensure greater alignment of education and skills services that supports the economy and a sustainable workforce  
• regional skills planning to be aware and supportive of the Regional Education Improvement Framework Plan and delivery  
• local partners commit to step change in collaboration in response to the Enterprise and Skills Strategic Board’s Strategic Plan | Island local authorities, Skills Development Scotland, Northern Alliance, HIE, Local authorities | |
Area of action 2 continued: Planning for the future and understanding the impact of our investment

2.3 Ensure effective workplace planning in the region's strategically important sectors and occupations

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Urgent need to address skills shortages in a range of sectors as well as to address significant workforce replacement demand forecast over the next decade | Develop a co-ordinated approach to supporting public sector organisations in recruitment and workforce planning across the region | • establish a regional public sector skills network  
• increase public sector joint procurement and recruitment  
• ensure regional talent attraction is aligned to national talent attraction initiatives | Skills Development Scotland  
NHS  
Local authorities  
UHI  
HIE | Improved understanding of future skills needs (expansion and replacement demand), and improved regional skills evidence base  
Reduction in skills shortages and skills gaps in the public sector, and more generally |
| Significant skills and recruitment issues across the public sector, vitally important to the region's fragile communities | Address occupational segregation in key sectors and occupations | • develop material and awareness raising events that challenge unconscious bias and gender-related misconceptions | Skills Development Scotland  
Local authorities  
HIE  
NHS  
DYW | |
| Public, third and voluntary sectors need to plan effectively for future skills needs | Enhance labour market awareness, provision of learning and employment opportunities in support of the Gaelic economy | • continue to support the skills and economy theme in ‘Gaelic – a Faster Rate of Growth’  
• implement, monitor and review the national and public sector Gaelic language plans  
• increase Gaelic in the curriculum and in FE/HE | Bòrd na Gàidhlig  
HIE  
Skills Development Scotland  
Scottish Government  
UHI  
Local authorities | |
| Curriculum need to support regional and local economy | Curriculum designed to support regional and local economy particularly STEM and digital skills | • pathways and subject choices available to support progressing in key and growth sectors | UHI  
Skills Development Scotland  
HIE | |
### Area of action 3: Building the workforce of the future

**Table 3.1 Improving the skills pipeline through mainstream education and increased numbers of FE/HE students in key subject areas**

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| Providing sufficient and appropriately skilled workers through UHI regional college courses and training provision is an ongoing challenge | In line with the Enterprise and Skills Strategic Board Strategic Plan SFC and SDS will work closely to implement the five-stage skills alignment model | • greater coordination of SFC outcome agreement funding with SDS commissioning  
• improve the alignment of funding to key and growth sectors and occupations including support for remote areas  
• funding and delivery to respond effectively to innovation, skills and training elements in City, Rural & Islands growth deals | SFC & Skills Development Scotland  
Local authorities  
UHI | Improved understanding of future skills needs, and improved regional skills evidence base  
Effective allocation of skills funding  
Increased number of FE/HE student numbers in subject areas aligned to key sectors/occupations  
Higher skilled workforce |
| Urgency to ensure talent retention by providing opportunity to develop career progression with confidence through education, employment and training opportunities | Use of innovative approaches to deliver high quality education and skills, through e-learning, digital technology and off-campus learning while addressing equality and diversity challenges | • maximise technological opportunities to deliver learning with the optimum flexibility to meet needs of remote students and employers  
• support the development of UHI, e-Sgoil and other local authority delivery platforms | Local authorities  
Training providers  
Northern Alliance  
UHI | Higher levels of productivity |
| Changes in employability pipeline, through loss of EU funding | Further develop work-based learning and increase part-time learning | • continue to increase local apprenticeships delivery and expand off-campus delivery  
• address gender imbalances and uptake of underrepresented groups in key sector occupations  
• diversity baseline established, and actions identified and implemented | Universities  
Local authorities  
Skills Development Scotland | Higher skilled workforce |
### Area of action 3 continued: Building the workforce of the future

#### 3.2 Delivering a careers education service and guidance service for all ages and stages

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The world of work is changing quickly increasing the importance of careers education</td>
<td>Explore opportunities for co-ordination and innovation in career education and improve careers pathway information and guidance for all ages</td>
<td>• develop tailored content that promotes career enhancing skills and learning opportunities that are aligned to work and study options in the region and promote through face-to-face and online services • align activity with recommendations from HIE 2018 survey – Young People and Highlands &amp; Islands • ensure local LMI is used to support all-age careers service • explore opportunities for joint career-long professional learning in relation to career education and the development/promotion of LMI</td>
<td>Skills Development Scotland Local authorities UHI</td>
<td>Improved awareness of the variety of career progressing opportunities amongst school pupils, job-seekers, employees, parents, teachers and careers advisers Greater uptake of Foundation Apprenticeships and work-based learning in the school curriculum across all parts of the region Young people continue to indicate a preference to live in the Highlands &amp; Islands and have greater confidence in the education, training and employment offer</td>
</tr>
<tr>
<td>Constant drain of out-migration must be redressed to ensure businesses and communities have a sustainable future</td>
<td>Develop awareness and pathways to Gaelic career opportunities</td>
<td>• implement the recommendation from the 2018 Gaelic Language Labour Market Evidence Report in relation to Gaelic skills and LMI • review of SDS service offer for Gaelic speaking pupils, parents and teachers</td>
<td>Public authorities with a Gaelic language plan</td>
<td></td>
</tr>
<tr>
<td>Further develop and enhance all-age career management offer to support those looking to upskill and reskill</td>
<td></td>
<td>• promote the importance of lifelong learning and up-skilling &amp; re-skilling as part of messaging about careers support that is available through career education face-to-face and online services</td>
<td>Skills Development Scotland Local authorities</td>
<td></td>
</tr>
</tbody>
</table>
### Area of action 3 continued: Building the workforce of the future

#### 3.3 Enabling upskilling and reskilling

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The world of work is changing exponentially which requires a culture of lifelong learning and new skills to cope with future change (meta-skills)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Employees with workplace patterns of employment (gig economy and part-time employment) require support                                                | Collaboration with employers and other agencies in the skills system to take forward the Strategic Board’s Future Skills Mission for Meta-Skills over the next three to five years | • obtain collective clarity on meta-skills definition  
• define key principles to utilise agreed meta-skills as a learning approach  
• utilise meta-skills to define and develop skills system’s qualifications | Skills Development Scotland  
SFC  
SQA  
HIE | Improved culture/understanding of the importance of lifelong learning amongst those about to enter, and those already in the labour market and their career influencers  
Increased uptake of apprenticeships and Individual Training Accounts |
| Costs for islands and remote rural communities to access urban-based training can discourage employers to invest in workforce development | Enhance digital skills provision to support all sectors for current and future workplace needs | • developing and embedding basic digital literacy in training  
• support provision of professional digital skills training in the region | Local authorities  
HIE  
UHI  
Skills Development Scotland | Reduction in skills shortages and skills gaps  
Higher skilled workforce  
Higher levels of productivity |
| Encourage employers to understand their workforce development needs and access available support | | • promote greater uptake of existing products  
• bespoke joint workshops to engage SMEs and provide cohesive business support  
• promotion of existing support for employers for managing and supporting disabled people  
• increase the promotion and uptake of the Flexible Workforce Development Fund | HIE  
Business Gateway  
Skills Development Scotland  
SFC | |
| Increased investment in skills, training and education from procurement and community benefits | | • skills-related community benefits outputs from the delivery of City, Rural and Islands Deals and energy projects | Local authorities  
Private energy companies | |
### Area of action 3 continued: Building the workforce of the future

#### 3.4 Continuing to support greater engagement of employers in shaping the skills pipeline and developing innovative career pathways

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| DYW groups have been successful in encouraging closer engagement between employers and education to improve employment opportunities for young people | Ensure the local employers’ voice is heard in the skills system through the eight DYW regional groups | • align partner activity to support the DYW groups to achieve KPIs  
• create opportunities for dialogue to develop all levels of school/employer partnership within new framework  
• increased employer partnerships to include offering meaningful work placements, including to underrepresented groups | DYW                         | Long-term, planned and sustainable employer partnerships with schools  
Reduction in hard to fill vacancies  
Reduction in the number of young people not engaged in meaningful work placements |
| The curriculum must be aligned to the needs of the local, regional and national economy if we are to ensure increased productivity and the ability to adapt to a rapidly changing technological workplace | Continue to develop the senior phase curriculum aligned the needs of employers | • build the curriculum offer in relation to Foundation Apprenticeships with a focus on widening access to all FA frameworks in all schools across the region  
• pilot SCQF level 4 and 5 work-based learning qualifications to broaden and diversify the curriculum in relevant occupational areas across the region  
• support employer uptake of digital platforms aimed at engaging with education | Local authorities  
DYW  
UHI |                                                                                                                                 |
### Area of action 4: People attraction, retention and place attractiveness

#### 4.1 Promoting the whole region to retain, attract people, businesses and investment, aligned with national strategies

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Action</th>
<th>Supporting activities</th>
<th>Lead partner</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| The Highlands & Islands Talent Attraction Strategy was aligned to the SIP to provide a regional focus to address young people and working age population retention, attraction and return | Inform activity relating to the COHI talent attraction theme and accelerate the implementation of the Highlands & Islands Talent Attraction Strategy | • alignment of individual, regional and local education and skills provision plans in the context of an overarching regional strategy and action plan  
• support the evolution and refinement of the wider region’s strategic and operational approach to talent  
• interpret what the regional (and sub-regional) skills evidence base says about the demographic challenges and the supply and demand for skills at a geographical, sectoral and occupational level  
• identification of priorities for taking forward and aligning with other COHI activity relating to housing, digital, transportation, marine economy and energy which all contribute to the ongoing development and delivery of the local and regional approach to talent | HIE  
HISIP programme board | Increased number of working age people living and working in the region  
Reverse the forecast decline in population  
Year-on-year positive net migration  
Businesses located in (or locating into) the Highlands & Islands can access an appropriate scale and scope of skilled future talent |
Just as its geography and people are the Highlands & Islands’ greatest assets, they can also present a distinct set of skills needs that require solutions which are sympathetic to local need and circumstances.
This Skills Investment Plan sets out a shared framework and priorities for the region.

These include a mixture of policy, planning and delivery activities generating early and longer term outputs, while building a platform on which to drive the local response at a local authority level.

This plan also acknowledges the ongoing need for a skills planning and shared delivery response, which is derived from this framework but developed at sub-local authority level. In the Argyll & Bute and Highland regions there is a shared commitment from partners to work collaboratively on this, building on the success of local skills plans and developing our sub-regional evidence base.

It has been agreed by the Programme Board that there should be a greater balance between the monitoring and implementation of agreed actions in the future as well as provide strategic leadership and influence over skills policy within the region. There will continue to be one group, the Programme Board, to oversee implementation of the Action Plan.

For the period of this new plan the Programme Board will:
• provide strategic leadership for the development of skills policy and facilitate planning and delivery of the skills programmes across the region
• manage the implementation of the Highlands & Islands SIP Action Plan, including ongoing review and updating of key actions to address emerging policy agendas and external factors
• develop a detailed monitoring and implementation plan which will establish specific measures then will identify progress in achieving the outputs and outcomes
• facilitate the collation of robust evidence by partners to inform investment in skills
• support the activity of local skills plans which align to the regional priorities identified in the SIP
• provide progress reports to the Convention of the Highlands & Islands.

The membership of the refreshed Programme Board is listed below, and will include two new members:
• Skills Development Scotland
• Scottish Funding Council
• Highlands & Islands Enterprise
• University of the Highlands and Islands
• SCDI
• Northern Alliance
• Bòrd na Gàidhlig
• NHS Health boards
• Local authorities
• Business Gateway

The Programme Board will meet four times a year, with two of the meetings taking place prior to the biannual COHI meetings (in October and March). This increased frequency will allow for more momentum in taking forward the Action Plan. Short term working groups may also be required for setting up new projects.
### Appendix 1: Monitoring data sources

<table>
<thead>
<tr>
<th>Action area</th>
<th>Output/outcome</th>
<th>Data source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meeting the skills needs of our employers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadening apprenticeship provision and participation in key sectors for all ages, genders and backgrounds</td>
<td>Increased uptake of all types of apprenticeships</td>
<td>SDS apprenticeship data</td>
</tr>
<tr>
<td></td>
<td>Reduction in skills shortages and skills gaps</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Closer fit between supply and demand for skills and talent</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment – qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment – GVA data</td>
</tr>
<tr>
<td><strong>Creating a culture of upskilling amongst employers and formalising skills support for the region’s SMEs</strong></td>
<td>Increased business investment in skills</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Increased uptake of all types of apprenticeships</td>
<td>SDS apprenticeship data</td>
</tr>
<tr>
<td></td>
<td>Increased uptake of other skills support programmes</td>
<td>SDS/SFC/HIE data</td>
</tr>
<tr>
<td></td>
<td>Increased number of businesses investing in training</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Reduction in skills shortages and skills gaps</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment – qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment – GVA data</td>
</tr>
<tr>
<td></td>
<td>Improved equalities outcomes</td>
<td>SFC/SDS data</td>
</tr>
<tr>
<td></td>
<td>Support for Inclusive growth and Fair Work agenda</td>
<td>HIE data</td>
</tr>
<tr>
<td><strong>Improving skills support for key inward investment projects</strong></td>
<td>Increased number value of inward investment projects and jobs created</td>
<td>SDI/HIE FDI data</td>
</tr>
<tr>
<td></td>
<td>Enhanced multiplier effects from inward investment</td>
<td>SDI/HIE FDI data</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment - qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment - GVA data</td>
</tr>
<tr>
<td><strong>Developing leadership, management and entrepreneurship skills</strong></td>
<td>Increased number of business/organisations investing in leadership and management and entrepreneurship training</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment – qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment – GVA data</td>
</tr>
<tr>
<td></td>
<td>More young people considering self-employment as a career option</td>
<td>Local authority/SDS data</td>
</tr>
<tr>
<td><strong>Knowledge and planning for the future</strong></td>
<td>Improved understanding of future skills needs, and improved regional skills evidence base</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td></td>
<td>Effective allocation of skills funding</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td></td>
<td>Services that are responsive to national policies and strategies through delivery in a local context</td>
<td>Qualitative feedback from partners</td>
</tr>
</tbody>
</table>
### Appendix 1: Monitoring data sources continued

<table>
<thead>
<tr>
<th>Action area</th>
<th>Output/outcome</th>
<th>Data source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge and planning for the future continued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensuring a more integrated and transparent approach to skills planning/</td>
<td>Improved understanding of future skills needs, and improved regional skills evidence base</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td>skills alignment</td>
<td>Effective allocation of skills funding</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td></td>
<td>Services that are responsive to national policies and strategies through delivery in a local context</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td>Ensuring effective workforce planning in the region’s strategically</td>
<td>Improved understanding of future skills needs (expansion and replacement demand), and improved regional skills evidence base</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td>important sectors and occupations</td>
<td>Reduction in skills shortages and skills gaps in the public sector, and more generally</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td><strong>Building the workforce of the future</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving the skills pipeline through mainstream education and increased</td>
<td>Improved understanding of future skills needs, and improved regional skills evidence base</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td>numbers of FE and HE students in key subject areas</td>
<td>Effective allocation of skills funding</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td></td>
<td>Increased number of FE/HE student numbers in subject areas aligned to key sectors/occupations</td>
<td>UHI/SFC data</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment - qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment - GVA data</td>
</tr>
<tr>
<td>Delivering a careers education advice and guidance service and careers</td>
<td>Improved awareness of career opportunities and different career options amongst job-seekers, employees, parents, teachers and careers advisers</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td>pathways for all ages and stages</td>
<td>Greater uptake of Foundation Apprenticeships and work-based learning in the school curriculum across all parts of the region</td>
<td>SDS apprenticeship data</td>
</tr>
<tr>
<td></td>
<td>Young people continue to indicate a preference to live in Highlands &amp; Islands and have greater confidence in the education, training and employment offer</td>
<td>HIE survey</td>
</tr>
<tr>
<td>Encouraging up-skilling and re-skilling</td>
<td>Improved culture/understanding of the importance of lifelong learning amongst those about to enter, and those already in, the labour market and their career influencers</td>
<td>Qualitative feedback from partners</td>
</tr>
<tr>
<td></td>
<td>Increased uptake of apprenticeships and Individual Training Accounts</td>
<td>SDS apprenticeship data</td>
</tr>
<tr>
<td></td>
<td>Reduction in skills shortages and skills gaps</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment - qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment - GVA data</td>
</tr>
<tr>
<td>Action area</td>
<td>Output/outcome</td>
<td>Data source</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Building the workforce of the future continued</td>
<td>Long-term, planned and sustainable employer partnerships with schools</td>
<td>DYW KPIs</td>
</tr>
<tr>
<td></td>
<td>Reduction in hard-to-fill vacancies</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Reduction in the number of young people not engaged in meaningful work placements</td>
<td></td>
</tr>
<tr>
<td>People attraction and place attractiveness</td>
<td>Reduction in skills shortages and skills gaps</td>
<td>Employer Skills Survey</td>
</tr>
<tr>
<td></td>
<td>Higher skilled workforce</td>
<td>Regional Skills Assessment - qualification data</td>
</tr>
<tr>
<td></td>
<td>Higher levels of productivity</td>
<td>Regional Skills Assessment - GVA Data</td>
</tr>
<tr>
<td></td>
<td>Reverse the forecast decline in population</td>
<td>Regional Skills Assessment</td>
</tr>
<tr>
<td></td>
<td>Year-on-year positive net migration</td>
<td>Regional Skills Assessment</td>
</tr>
<tr>
<td></td>
<td>Businesses start-ups</td>
<td>Regional Skills Assessment</td>
</tr>
</tbody>
</table>
Acknowledgements

Skills Development Scotland would like to thank Highlands & Islands Enterprise for co-funding this research and the many partners who supported the development of the Highlands & Islands Skills Investment Action Plan refresh.