Regional Skills Assessment
Lanarkshire
Summary Report 2019
Regional Skills Assessments (RSAs)
First launched in 2014, the RSA’s purpose is to provide a robust evidence base to support partners in strategic skills investment planning. They have evolved over time based on an independent review carried out in 2015 and feedback from partners.

To ensure an inclusive approach to their development, dissemination and utilisation, RSAs are produced by Skills Development Scotland (SDS) in partnership with Highlands and Islands Enterprise, Scottish Enterprise, Scottish Government, the Scottish Funding Council (SFC), the Scottish Local Authorities Economic Development Group and the South of Scotland Economic Partnership.

RSAs include the use of published data sets. Inevitably, when using published data there is a time lag but the data contained is the most up to date available at the time of writing. The section on the Supply of People in the region is an exception to this rule. Whilst 2018 estimates exist, we have used data for 2016 for consistency with the 2016 based population projections which are the latest available.

RSAs also include forecast data that has been commissioned through Oxford Economics. A number of caveats need to be applied when using forecast data. The Technical Note provides full detail on this but broadly it should be noted that forecasts are based on what we know now and include past and present trends projected into the future. Their value is in identifying likely directions of travel rather than predicting exact figures. The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be. Standard occupational classifications (SOC) and standard industrial classifications (SIC) are used to define occupations and industries. ONS has useful SIC and SOC hierarchy tools that can be used to understand the classifications in more detail.

In addition, we provide analysis by Key Sector. Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which gives a picture of the economic and labour market situation, trends in skills and qualification supply and employers’ perspectives on the big skills issues affecting sector growth. Regional SIPs have also been developed. SIPs and RSIPs are available on the SDS website.

This year’s RSA is in three parts:
1. This report outlining Demand for Skills, Supply of People; and Skills Mismatches;
2. An infographic detailing key data for the area; and
3. A new interactive RSA Data Matrix that was launched in August 2019 that provides more detailed data.

Finally, in the sections which follow, the numbers and figures in the body of the text are rounded for ease of reference and readability and therefore may differ slightly from:
• The Oxford Economics data in the RSA Data Matrix; and
• The accompanying charts in the report which are also based on the Oxford Economics data.

This RSA report is for Lanarkshire which covers the East Dunbartonshire, North Lanarkshire and South Lanarkshire local authorities.

1 https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
5 https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
Introduction
**Introduction**

We live in a world that is complex and is constantly evolving. Scotland’s businesses and people need the skills, knowledge and capabilities, not just to cope with this change but to thrive in it and influence it.

**Scotland’s Economy**

The latest ‘State of the Economy’ reported that Scotland’s economy continued its recent pattern of strong performance at the start of 2019 with the unemployment rate falling to record lows and strong growth in exports and output. Output growth increased in the first quarter to 0.5 per cent but this was driven partly due to temporary factors such as stockpiling and firms completing orders in anticipation of the original end March Brexit deadline. Short term outlooks for the economy will be dominated by Brexit uncertainty with the likelihood of subdued growth and the potential for more exposure to downturns in international demand and growth.

Labour productivity grew by 0.5 per cent in Q4 2018 and by 3.8 per cent in 2018 as a whole – its fastest pace of growth since 2010. Whilst positive, Scotland’s ranking among Organisation for Economic Co-operation and Development (OECD) countries is 16th of 37 countries, placing it in the second quartile. This ranking of 16th place has been unchanged since 2007. Scottish Government has the aspiration of improving Scotland’s productivity to match the performance of the top quartile of OECD countries.

Boosting productivity is vital for our long-term prosperity

**Scotland’s People**

Scotland’s population has grown and is projected to grow in future. National Records of Scotland (NRS) confirms that Scotland’s population in 2018 was 5,438,100 and is expected to grow to 5.58 million in 2026 and to 5.69 million by 2041. This estimate for growth is based on a continuation of EU migration at pre-Brexit levels which is not guaranteed.

Despite this past and projected growth, Scotland is facing an ageing demographic structure. Based on the population in 2016, just under one in five people (18 per cent) were aged 65 and over but by 2041, one in four people (25 per cent) are projected to be in this age group.

If we examine dependency ratios for Scotland’s population this shows a growing dependency ratio at Scotland level and indeed some areas – particularly some of Scotland’s rural areas – having much higher rates of dependency than the national average. At Scotland level, the dependency ratio will increase from 55 per cent in 2016 to almost 70 per cent in 2041. Put simply, for every 100 people of working age there will be 70 people dependent by 2041.

This suggests that the supply of labour might contract over the longer term if projections are realised. This points to a tighter labour market and greater competition for skilled labour in the future. Uncertainty regarding the implications of Brexit also remain, and any decisions taken on the free movement of people could exacerbate this further.

A tight labour market will result in more competition for skilled labour – Brexit could exacerbate this
Although we are seeing record levels in relation to high employment and low unemployment and relative economic prosperity since the recession, not everyone is benefiting equally in this prosperity:

- The gender pay gap for women working full-time in Scotland was 5.7 per cent in 2018\textsuperscript{12}.
- The unemployment rate was 4.2 per cent for working age people in Scotland, but this increases to 9.9 per cent for 16-24 year olds and to 10.8 per cent for males aged 16-24\textsuperscript{13}.
- The employment rate for people aged 16-64 was 74.5 per cent, but 57.4 per cent for people from an ethnic minority and 45.9 per cent for disabled people\textsuperscript{14}.

There are disparities in regional performance across Scotland. Based on an assessment of employment growth, productivity, earnings and unemployment, recovery since the recession has been stronger in Scotland’s urban areas and weaker in rural areas.

Since the recession we have seen a rise in ‘nonstandard’ jobs (such as part time and temporary employment), low wage growth and continued ‘in work’ poverty:

- Self-employment has risen by 22 per cent, compared to one per cent for full-time employment since the recession\textsuperscript{15}.
- Median weekly earnings (gross) grew by 19 per cent in the five years leading up to the financial crash in 2008. A slower rate of 11 per cent has occurred over the past five years\textsuperscript{16}.
- More than half a million (550,000) people in Scotland were living in relative poverty (after housing costs) in a household where at least one adult was in paid employment\textsuperscript{17}.

Both people and place are considerations when working towards a more inclusive labour market.

**Our growth needs to be inclusive**

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\textsuperscript{13} Annual Population Survey (April 2018-March 2019).
\textsuperscript{14} Annual Population Survey (April 2018-March 2019), EA core disabled has been used for the employment rate of disabled people.
All parts of Government will be expected to play a role in achieving these ambitious targets and SDS is to develop a Climate Emergency Skills Action Plan, as outlined in the Programme for Government. The development of appropriate skills will have a significant part to play in enabling this transition to a low carbon economy.

Our growth needs to be sustainable

**Scotland’s Resilience**
The world of work is constantly changing and the rate of change is rapid. Technological and societal disruptions are occurring at an increasing pace. Whilst we cannot predict the future, we can prepare for a future that is increasingly unpredictable. SDS has developed a Skills 4.0 model that focuses on developing ‘meta-skills’ to equip people with skills in resilience to thrive in a complex and ever-changing world (see Figure 1).

We need skills for resilience to thrive in a complex and ever-changing world

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**Figure 1:**
**Skills 4.0**

https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills4-0
**Issues and Challenges**

A fit for purpose, skilled workforce will be essential to address the challenges facing Scotland (see Figure 2).

The development of skills that are fit for Scotland now and in the future is essential to achieving a high performing, inclusive and sustainable labour market. To meet these challenges, a step change in how we align skills provision to meet labour market demand is planned.

**Figure 2: Drivers for change**

<table>
<thead>
<tr>
<th>Scotland’s Economy</th>
<th>Scotland’s People</th>
<th>Scotland’s Climate Change Emergency</th>
<th>Scotland’s Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting productivity is vital for our long-term prosperity</td>
<td>A tight labour market</td>
<td>Our growth needs to be sustainable</td>
<td>We need skills for resilience to thrive in a complex and ever-changing world</td>
</tr>
</tbody>
</table>

**Scotland’s Skills Issues**

- We need innovative workplaces and skills to boost productivity with employers and employees as active participants in the skills system.
- We need to maximise Scotland’s indigenous talent and attract new talent to fill jobs in future. We need to enable all of Scotland’s people to share in the nation’s prosperity.
- We need to develop fit for purpose skills to enable Scotland to achieve its ambitious target for greenhouse gas emissions.
- We need to develop sector specific skills for the economy and skills for resilience – ‘meta skills’.

**To support this we will need:**

- Greater flexibility and responsiveness in skills provision to better align with the needs of employers and the Scottish economy.
- Investment in upskilling and reskilling throughout individual’s careers to respond to a rapidly changing environment.
- More personalised, relevant and flexible work-based pathways.

Source: Skills Development Scotland
Scotland’s Skills Alignment Ambition
Skills Alignment (one of the workstreams in the Scottish Government’s Future Skills Action Plan) is focused on improving the skills system in Scotland.

Its purpose is “to ensure that Scotland’s people and businesses are equipped with the right skills to succeed in the economy, not just now but in the future.” To achieve this end, a new joint planning process is in development to align the relevant functions of SDS and the SFC (see Figure 3).

To lead this process a Director of Skills Alignment has recently been appointed and three pilot projects have been established to test approaches in:
- Regions – Glasgow College region; and
- Sectors – Early Years and Child Care and Financial and Professional Services.

Having a robust evidence base is crucial if we are to ensure a fit for purpose skills system. SDS and partners are working to develop evidence on the key strategic issues and challenges for Scotland. This and the evidence contained in the RSAs will help inform Step 1 of this model – the Demand Assessment.

Figure 3: Five-step Skills Alignment model

1. Demand Assessment
2. Provision Planning
3. Outcome Agreements/Commissioning
4. Performance Management/Monitoring
5. Review and Evaluation

Source: Skills Development Scotland
2 Lanarkshire’s Economy
Lanarkshire’s Economy

Current Economic Performance
Gross Value Added (GVA) is a measure of the value of goods and services produced in an area and is an indicator of the economy’s health.

GVA in Lanarkshire in 2019 was £13.4bn, ten per cent of Scotland’s output (£138.8bn). This share of GVA ranks Lanarkshire as the fourth largest contributing RSA region to the Scottish economy.

In 2019, the highest value sectors in Lanarkshire were:
- Manufacturing, £1.7bn;
- Real Estate Activities, £1.5bn;
- Wholesale and Retail, £1.5bn;
- Construction, £1.3bn; and
- Human Health and Social Work, £1.3bn.

Past Economic Performance
From 2009 to 2019 the Lanarkshire economy, measured by GVA, grew by 1.7 per cent on average each year. This was a faster rate of growth than Scotland, which over the same period experienced 1.4 per cent growth on average each year.

Future Economic Performance
GVA in Lanarkshire is forecast to grow by 1.5 per cent on average each year from 2019 to 2029. This rate of growth is forecast to be below that of Scotland (1.7 per cent) and the UK (2.0 per cent).

Economic growth across Scotland is expected to be relatively modest in the short term, as businesses show their reluctance to invest while operating under Brexit-related uncertainties. Slower GVA growth in Scotland is largely explained by its industrial mix, and specifically, the most dynamic sectors such as high value business services and digital sectors being underrepresented in Scotland compared to the UK.

GVA growth in Lanarkshire is expected to be driven by the dominant Real Estate sector from 2019 to 2029, the GVA produced by the sector will increase by £340.4m. The GVA output from the Real Estate sector is however inflated by owner-occupier imputed rent. Imputed rent captures, economically, the value of the service homeowners are providing to themselves by owning and living in their own home. In addition to Real Estate, sectors forecast to have the greatest increases in GVA output are:
- Wholesale and Retail, £226.7m
- Human Health and Social Work, £191.3m;
- Construction, £166.2m;
- Professional, Scientific and Technical Activities, £161.8m; and
- Electricity, Gas, Steam and Air Conditioning Supply, £151.4m.

When compared to GVA output in 2019, it can be seen that most of the sectors that had the greatest GVA output in 2019 are expected to have the greatest actual growth from 2019 to 2029.

Percentage change provides an alternative viewpoint for considering the future GVA contribution from sectors. This approach captures sectors that might make smaller GVA contributions but are forecast to grow at a faster rate. Information and Communication is expected to have the greatest rate of GVA growth from 2019 to 2029 in Lanarkshire. This was one of the smallest sectors in 2019 (in economic terms) but it is forecast to have an average annual growth rate of 2.5 per cent. The larger Professional, Scientific and Technical Activities sector and Administrative and Support Service Activities sector are also expected to have a relatively fast rate of growth up to 2029, in line with Information and Communication (2.5 per cent per year).
Fiscal policy is likely to remain tight over the forecast period and, as a result, will weigh on the economic growth prospects for the Public Sector. Public Administration and Defence Activities is expected to contract by -0.8 per cent each year from 2019 to 2029 in Lanarkshire. However, Education and Human Health and Social Work are forecast to have GVA growth, growing by 0.2 per cent and 1.4 per cent per year over the forecast period respectively (see Figure 4). For Human Health and Social Work, this will be as a result of increased demand for these services due to changes in the region’s population structure.

**Figure 4**
Forecast average annual GVA change by Industry (%) (2019 - 2029), Lanarkshire

Source: Oxford Economics
The key sectors contributing most to GVA growth in Lanarkshire from 2019 to 2029 are expected to be Financial and Business Services, Construction, Health and Social Care, Energy and Engineering (see Figure 5). These sectors are expected to have a higher overall contribution to growth as they have a relatively large presence in the regional economy already.

Figure 5
Forecast absolute GVA growth by Key Sector (£m) (2019 - 2029), Lanarkshire

Source: Oxford Economics
Looking instead at percentage change for the key sectors from 2019 to 2029, Child-Day Care Activities is forecast to be the fastest growing. It is forecast to grow 4.0 per cent each year on average. This strong outlook reflects the Scottish Government’s childcare policy to double the number of hours of funded childcare by 2020. However, its small size in absolute terms means that its impact on overall growth is limited.

Relatively fast growth is also forecast in the Digital, Creative Industries and Financial and Business Services sectors. However, excluding Financial and Business Services, their overall contribution will be lower due to their smaller size relative to the much larger, dominant key sectors in the region currently (see Figure 6).

### Figure 6
Forecast average annual GVA growth by Key Sector (%) (2019 - 2029), Lanarkshire

- Child-day care activities: 4.0%
- Digital: 2.4%
- Creative industries: 2.4%
- Financial and business services: 2.1%
- Life sciences: 1.8%
- Energy: 1.6%
- Health and social care: 1.4%
- Tourism: 1.4%
- Engineering: 1.3%
- Food and drink: 1.2%
- Construction: 1.2%
- Chemical sciences: 0.6%

Source: Oxford Economics
Productivity

Productivity is the measure of goods and services produced per unit of labour input. Productivity has been calculated by dividing total regional GVA by total regional employment (measured by jobs).

The productivity of a region is influenced by the industrial mix that is present. Within the same industries productivity may differ from business to business.

Office for National Statistics (ONS) analysis tells us that the GVA per worker [productivity] is generally lower in the accommodation and food service activities, administrative and support services activities, and wholesale and retail trade industries than in most other industries. The production sector, by contrast, has relatively high productivity.

Among the service sectors, the professional, scientific and technical activities, financial and insurance activities, and the information and communication sector also tend to have relatively high-productivity. Therefore, a relatively high aggregate productivity in a region may sometimes be a reflection of a relatively large share of more productive industries in that location.

In 2019, productivity in Lanarkshire was £44,000. This was lower than the Scottish average of £50,400 (see Figure 7).

From 2009 to 2019, productivity in Lanarkshire grew by 1.6 per cent on average each year. This rate of growth was above the Scottish Average (1.3 per cent). The equivalent for the UK was 0.8 per cent.

Productivity in Lanarkshire is forecast to grow at an average of 1.4 per cent per year from 2019 to 2029. This is in line with the growth rate expected for Scotland as a whole (1.4 per cent), and below that of the UK (1.5 per cent).

Figure 7
Productivity (2019)

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Figure 7
Productivity (2019)
Employment in Lanarkshire
**Employment in Lanarkshire**

**Current Employment**

Total employment in Lanarkshire (measured by jobs) was estimated to be 305,900 in 2019, 11 per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in Lanarkshire was 75.7 per cent, which was above the rate for Scotland (74.5 per cent). Compared to Scotland, the region had above average employment rates for:

- Young people (aged 16-24), 60.7 per cent compared to 58.3 per cent;
- Females, 74.0 per cent compared to 71.1 per cent; and
- Ethnic minorities, 72.1 per cent compared to 57.4 per cent.

The employment rate for males was lower in Lanarkshire compared to Scotland, 77.6 per cent compared to 78.1 per cent. The employment rate for disabled people was also lower in the region compared to Scotland, 43.3 per cent compared to 45.9 per cent.

The region’s overall employment rate means that approximately one in four of the region’s working age population were unemployed (3.4 per cent) or economically inactive (21.6 per cent)\(^2\). Inactivity includes people who are studying, retired or looking after their family or home.

Across Scotland and within the region full-time jobs were most numerous, 211,500 jobs (69 per cent) were full-time in Lanarkshire in 2019. This was above, but close to the Scottish average (68 per cent).

Within the region over three fifths of full-time jobs (129,900; 61 per cent) were held by males, and the remaining two fifths (81,500; 39 per cent) were held by females.

The percentage of part-time jobs within Lanarkshire was below with the Scottish average (31 per cent compared to 32 per cent). Overall there were 94,400 part-time jobs in Lanarkshire, females accounted for more than three quarters (74,000; 78 per cent). Whilst males accounted for 22 per cent, 20,400 jobs (see Figure 8).

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21 Equalities Act (EA) Core Disabled
22 Employment rate figures from Annual Population Survey, April 2018 – March 2019
23 Employment rate, unemployment rate and economic inactivity rate may not sum to 100 due to rounding.
In Lanarkshire, the largest employing sectors, and their regional share of employment, in 2019 were (see Figure 9):
- Human Health and Social Work, 16 per cent;
- Wholesale and Retail Trade, 15 per cent;
- Construction, 11 per cent;
- Manufacturing, eight per cent;
- Administrative and Support Service Activities, seven per cent; and
- Public Administration and Defence, also seven per cent.

Excluding Real Estate, which accounted for a small share of regional employment (3,200 jobs; one per cent), the sectors that made the largest contributions to regional GVA in 2019 accounted for the greatest number of jobs too.

Figure 9
Employment by Industry and share of total employment (2019), Lanarkshire

Source: Oxford Economics
Large sectors are an important source of jobs, however regions also have sectoral strengths that make them unique. It means that smaller sectors can be more important than their size suggests as they are more concentrated in the region compared to the national average. In Lanarkshire, Electricity, Gas and Steam and Air Conditioning Supply was the greatest specialism with the percentage of employment in this sector more than three times the Scottish average. Other sectors that had above average concentrations in Lanarkshire were Water Supply, Sewerage and Waste Management (1.7 times more concentrated) and Construction (1.6 times more concentrated).

Of the key sectors, Health and Social Care, as might be expected given the sectoral insight above, was the largest in Lanarkshire in 2019. The sector accounted for 45,700 jobs. Construction was the second largest with a total of 37,500 jobs (see Figure 10).

**Figure 10**
Employment by Key Sector and share of total employment (2019), Lanarkshire

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and social care</td>
<td>47,500</td>
<td>16%</td>
</tr>
<tr>
<td>Construction</td>
<td>37,500</td>
<td>12%</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>19,300</td>
<td>6%</td>
</tr>
<tr>
<td>Tourism</td>
<td>16,600</td>
<td>5%</td>
</tr>
<tr>
<td>Engineering</td>
<td>15,200</td>
<td>5%</td>
</tr>
<tr>
<td>Food and drink</td>
<td>8,800</td>
<td>3%</td>
</tr>
<tr>
<td>Energy</td>
<td>7,800</td>
<td>3%</td>
</tr>
<tr>
<td>Creative industries</td>
<td>7,500</td>
<td>2%</td>
</tr>
<tr>
<td>Digital</td>
<td>6,200</td>
<td>2%</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>3,500</td>
<td>1%</td>
</tr>
<tr>
<td>Life sciences</td>
<td>2,100</td>
<td>1%</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>800</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Sectors tell us about the industries that people work in, and occupations provide insight on the type of jobs people do. In 2019, almost two fifths of all occupations (38 per cent) in Lanarkshire were ‘higher level’, 31 per cent were in both ‘mid-level’ and ‘lower level’. Compared to Scotland, the occupational structure of Lanarkshire had a smaller percentage of the workforce in ‘higher-level’ occupations and greater elsewhere. Scotland had a smaller percentage in ‘mid level’ (25 per cent) and ‘lower-level’ (30 per cent) occupations but more in ‘higher-level’ (45 per cent) occupations.

A detailed look at the occupational structure shows that the largest occupations in the region in 2019 were (see Figure 11):

• Clerical and Service Elementary Occupations, nine per cent;
• Administrative Occupations, nine per cent;
• Caring Personal Service Occupations; nine per cent;
• Sales Occupations, seven per cent; and
• Business and Public Service Associate Professionals, seven per cent.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Clerical and Services Elementary Occupations</td>
<td>23,000; 9%</td>
<td></td>
</tr>
<tr>
<td>Administrative Occupations</td>
<td>22,100; 9%</td>
<td></td>
</tr>
<tr>
<td>Caring Personal Service Occupations</td>
<td>21,900; 9%</td>
<td></td>
</tr>
<tr>
<td>Sales Occupations</td>
<td>18,200; 7%</td>
<td></td>
</tr>
<tr>
<td>Business and Public Service Associate Professionals</td>
<td>18,100; 7%</td>
<td></td>
</tr>
<tr>
<td>Health Professionals</td>
<td>16,300; 6%</td>
<td></td>
</tr>
<tr>
<td>Transport and Mobile Machine Drivers and Operatives</td>
<td>15,200; 6%</td>
<td></td>
</tr>
<tr>
<td>Corporate Managers</td>
<td>14,600; 6%</td>
<td></td>
</tr>
<tr>
<td>Science and Technology Professionals</td>
<td>10,400; 4%</td>
<td></td>
</tr>
<tr>
<td>Process, Plant and Machine Operators</td>
<td>9,800; 4%</td>
<td></td>
</tr>
<tr>
<td>Skilled Construction and Building Trades</td>
<td>9,800; 4%</td>
<td></td>
</tr>
<tr>
<td>Skilled Metal and Electrical Trades</td>
<td>9,600; 4%</td>
<td></td>
</tr>
<tr>
<td>Teaching and Research Professionals</td>
<td>9,100; 4%</td>
<td></td>
</tr>
<tr>
<td>Business and Public Service Professionals</td>
<td>8,700; 3%</td>
<td></td>
</tr>
<tr>
<td>Customer Service Occupations</td>
<td>7,400; 3%</td>
<td></td>
</tr>
<tr>
<td>Managers and Proprietors in Agriculture and Services</td>
<td>6,900; 3%</td>
<td></td>
</tr>
<tr>
<td>Trades, Plant and Storage Elementary Occupations</td>
<td>5,500; 2%</td>
<td></td>
</tr>
<tr>
<td>Culture, Media and Sports Occupations</td>
<td>5,100; 2%</td>
<td></td>
</tr>
<tr>
<td>Secretarial and Related Occupations</td>
<td>4,800; 2%</td>
<td></td>
</tr>
<tr>
<td>Science and Technology Associate Professionals</td>
<td>4,700; 2%</td>
<td></td>
</tr>
<tr>
<td>Leisure and Other Personal Service Occupations</td>
<td>4,400; 2%</td>
<td></td>
</tr>
<tr>
<td>Textiles, Printing and Other Skilled Trades</td>
<td>4,300; 2%</td>
<td></td>
</tr>
<tr>
<td>Protective Service Occupations</td>
<td>2,500; 1%</td>
<td></td>
</tr>
<tr>
<td>Skilled Agricultural Trades</td>
<td>2,500; 1%</td>
<td></td>
</tr>
<tr>
<td>Health and Social Welfare Associate Professionals</td>
<td>2,400; 1%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Past Employment

Employment in Lanarkshire increased by 1.0 per cent from 2009 to 2019. This was largely caused by growth in prominent, large employing sectors including:

- Professional, Scientific and Technical Activities, 4,500 jobs,
- Human Health and Social Work Activities, 4,400 jobs; and
- Construction, 3,200 jobs.

Whilst these sectors experienced job growth, other sectors contracted. The greatest absolute decline occurred in the Manufacturing sector in Lanarkshire. Compared to 2009, there were 4,800 fewer jobs in the sector in 2019. Decline also occurred in Administrative and Support Services (-3,600 jobs) and Accommodation and Food Services (-3,200 jobs).

Beyond the sectors, other shifts in the region’s labour market have occurred. Part-time employment and full-time employment increased (by 2,400 jobs 700 jobs respectively) from 2009 to 2019. Female employment also increased by 3,600 jobs, whilst male employment declined by 500 jobs.

Employment Forecast

The employment growth that has occurred in Lanarkshire in the past is forecast to continue. From 2019 to 2029 employment growth of 1.7 per cent is forecast in the region. This equates to 0.2 per cent employment growth year to year, and 5,100 jobs in total over the forecast period.

Compared to Scotland, this is a slower rate of growth. A three per cent increase in employment, or 0.3 per cent growth annually, over the forecast period is expected for Scotland. The growth rate for the UK is expected to be greater than Scotland and Lanarkshire, a five per cent increase, or 0.5 per cent annual change, is forecast.

The employment forecast for the local authorities within Lanarkshire shows a positive outlook. All three local authorities in the region (East Dunbartonshire, South Lanarkshire and North Lanarkshire) are forecast to have a net increase in the number of jobs over the forecast period. East Dunbartonshire is expected to have an annual average increase of 0.3 per cent, the eighth largest annual increase of all local authorities.

South Lanarkshire and North Lanarkshire are forecast to have an average annual increase of 0.2 per cent and 0.1 per cent respectively.

Over the period to 2029, full-time employment is expected to increase in Lanarkshire with 3,300 more full-time jobs in 2029 compared to 2019. Both male and female full-time employment will increase, by 2,800 and 500 jobs respectively. Part-time employment is also expected to increase by 1,700 jobs. Male part-time employment is forecast to increase by 1,100 jobs and female part-time employment is forecast to increase by 600 jobs (see Figure 12).

Figure 12
Forecast employment change, by gender and full-time/part-time (2019 - 2029), Lanarkshire

<table>
<thead>
<tr>
<th>Male</th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,800</td>
<td></td>
<td>1,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Female</th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td></td>
<td>600</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Although employment is forecast to increase in Lanarkshire from 2019 to 2029, sectors will have varying performance. The greatest growth in jobs is forecast in Construction, with 3,300 more jobs expected in the sector by 2029 compared to 2019. Other sectors forecast to have growth in excess of 1,000 over the forecast period are Administrative and Support Service Activities (3,000), Professional, Scientific and Technical Activities (1,800) and Human Health and Social Work Activities (1,500).

Job losses in Lanarkshire are also forecast in some sectors, notably in production sectors and the public sector. Manufacturing is the sector forecast to have the greatest number of job losses from 2019 to 2029. During the forecast period a decline of 3,900 jobs is anticipated. This reflects the general trend of more capital intensive and higher value-added activity in the sector, which requires less labour-intensive methods (see Figure 13).

Employment is also forecast to fall overall in Lanarkshire’s public services sector with Public Administration and Defence forecast to contract by 2,200 jobs over the forecast period due to continued pressure on public finances. The Education sector is forecast to have no change in employment from 2019 to 2029. However, Human Health and Social Care is expected to grow, the sector is forecast to have 1,500 more jobs in 2029 compared to 2019.

Figure 13
Forecast employment change by Industry (2019 - 2029), Lanarkshire

Source: Oxford Economics
The growth and contraction of employment by sector means that private services\(^\text{25}\) are expected to account for a larger share of jobs in Lanarkshire over the forecast period. The percentage is forecast to rise from 49 per cent in 2019 to 50 per cent in 2029. Construction is forecast to account for 11 per cent of employment in 2029, the same percentage share as 2019. Primary Industries and Public Services are also forecast to remain the same in 2029 (four per cent and 28 per cent respectively). The share that Manufacturing accounts for is expected to decline by one percentage point over the forecast from eight per cent in 2019 to seven per cent in 2029.

Looking ahead, the outlook for the key sectors generally echoes the broad sector trends summarised above – with Construction expected to have the greatest growth (3,200 jobs). Financial and Business Services, the second largest key sector in 2019 is forecast to have growth second only to Construction, growing by 1,700 jobs from 2019 to 2029 in Lanarkshire.

A number of other key sectors will experience growth over the forecast period, including:
- Health and Social Care, 1,500 jobs;
- Child-Day Care Activities, 1,300 jobs;
- Tourism, 900 jobs;
- Creative Industries, 200 jobs; and
- Digital, also 200 jobs.

Engineering is the key sector forecast to have the greatest employment decline in Lanarkshire, with 900 fewer jobs in 2029 compared to 2019 expected (see Figure 14).

\(^{25}\) N.B. ‘private services’ comprise the following sectors: wholesale and retail trade; transportation and storage; accommodation and food services; information and communication; financial and insurance activities; real estate activities; profess., scientific and technical activities; administrative and support services; arts, entertainment and recreation; and other service activities.

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**Figure 14**
Forecast employment change by Key Sector (2019 - 2029), Lanarkshire

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>3,200</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>1,700</td>
</tr>
<tr>
<td>Health and social care</td>
<td>1,500</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>1,300</td>
</tr>
<tr>
<td>Tourism</td>
<td>900</td>
</tr>
<tr>
<td>Creative industries</td>
<td>200</td>
</tr>
<tr>
<td>Digital</td>
<td>200</td>
</tr>
<tr>
<td>Life sciences</td>
<td>-100</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>-100</td>
</tr>
<tr>
<td>Energy</td>
<td>-600</td>
</tr>
<tr>
<td>Food and drink</td>
<td>-700</td>
</tr>
<tr>
<td>Engineering</td>
<td>-900</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
By occupation, Caring Personal Service Occupations, are forecast to experience the greatest increase in employment in Lanarkshire from 2019 to 2029 (of 1,100 workers). Growth in these occupations is closely related to the forecast rise in employment in the Health and Social Care sector. An additional 900 workers are expected to be required in Skilled Construction and Building Trades, driven by growth in the Construction sector. Other occupations anticipated to have an increase that is relatively large for the region are:

- Health Professionals, 800 workers;
- Business and Public Service Associate Professionals, also 800 workers;
- Business and Public Service Professionals, 700 workers; and
- Clerical and Service Elementary Occupations, 600 workers.

Occupations likely to contract over the next decade tend to be those most closely associated with Public Administration and Defence and Manufacturing, reflecting the declining numbers of jobs in each of these sectors. Examples include Administrative Occupations (-1,000 people) and Skilled Metal and Electrical Trades (-500 people) (see Figure 15).

Figure 15  
Forecast employment change by occupation (2019 - 2029), Lanarkshire

Source: Oxford Economics
Total Labour Market Requirement in Lanarkshire
In the previous sections we presented what has happened, is happening and what is forecast to happen in Lanarkshire economy and labour market. When looking at the labour market, we have until this section focused on how many jobs there will be in any given year and how that compares to another year. However, the labour market is more complex than this.

In this section, we provide greater insight on job openings. To do this we consider the jobs that will be created or lost due to expansion or contraction in the labour market and the jobs that will arise due to people leaving the labour market. People leave the labour market and jobs become vacant for a variety of reasons, retirement being the most common cause. This is called the replacement requirement.

In Lanarkshire, 109,100 job openings are forecast from 2019 to 2029. In the region, and as shown in the previous chapter, 5,100 jobs are forecast to be created in Lanarkshire from 2019 to 2029 due to expansion in the labour market. A further 104,000 job openings will arise due to the replacement requirement.

These opportunities are expected to be concentrated in a small number of sectors, with four sectors in Lanarkshire forecast to account for over half (57 per cent) of the requirement. These are (see Figure 16):

- Wholesale and Retail Trade, 25,500 jobs;
- Administrative and Support Service Activities, 13,800 jobs;
- Construction, 11,800 jobs; and
- Human Health and Social Work, 11,600 jobs.

Job openings can be full or part time and the job openings forecast could be higher or lower in reality. Please note that throughout this section totals may not equal the sum of constituent parts due to rounding.
Figure 16
Forecast net requirement by Industry (2019 - 2029), Lanarkshire

Source: Oxford Economics
To fill these jobs, and others, there is a forecast requirement for 91,000 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs. The number of people working in Lanarkshire is expected to increase by 3,900 over the forecast period. There will also be a replacement requirement of 87,100 people.

By occupation, the greatest number of people are forecast to be required in (see Figure 17):
- Clerical and Service Elementary Occupations, 14,100 people;
- Sales Occupations, 12,300 people;
- Teaching and Research Professions, 6,800 people;
- Health Professionals, 6,000; and
- Caring Personal Service Occupations, 6,000 people.

Figure 17
Forecast net requirement by occupation (2019 - 2029), Lanarkshire

Source: Oxford Economics
Supply of People in Lanarkshire
Supply of People in Lanarkshire

Projection of Total Population

NRS produce population estimates for Scotland biennially. Their 2016 based forecasts cover the period up to 2041, so in this chapter we present a longer forecast period than the previous chapters.

In 2016, the population of Lanarkshire was 764,000, 14 per cent of Scotland’s population.

By age, the largest group in Lanarkshire were people of working age (16-64 years). There were 487,800 people in this age group, 64 per cent of the region’s population. People of working age across Scotland accounted for a larger share of the population overall (65 per cent).

The number of people of working age compared to those of non-working age has implications for the region’s dependency ratio. The dependency ratio is important when considering the demand for public services, for example schools and healthcare services, and the funds available to provide these services, the income from taxes and National Insurance. In 2016, the dependency ratio in Lanarkshire was 57 per cent. This means that for every 100 people of working age, there were 57 people of non-working age. Across Scotland it was 55 per cent.

Of those who were in age groups thought to be dependent, the oldest age group was the largest. There were 139,300 people aged 65 or older who accounted for 18 per cent of the region’s population (this was in line with the Scottish average).

Children and young people (0-15 years) accounted for the remaining 18 per cent, there were 137,000 individuals in this age group (see Figure 18). Across Scotland the population aged 0-15 accounted for 17 per cent of the population, meaning that Lanarkshire had a slightly younger population compared to the Scottish average.

Figure 18
Population by age (2016), Lanarkshire and Scotland

Source: National Records of Scotland
Brexit has placed an increased focus on the nationality of people living and working in the UK. It has the potential to discourage EU migrants from coming to the UK to live and work, either through choice or eligibility. Migration is important to Scotland as without it the population would be declining. In Lanarkshire, there were 13,000 people who were born in the EU and a further 15,000 from the rest of the world in 2018. The EU born population accounted for two per cent of the region’s population, and two per cent of the region’s population were born elsewhere in the world. Compared to Scotland a smaller percentage of the region’s population were born in the EU or elsewhere in the world. Across Scotland four per cent of the population were born in the EU, and four per cent were born in other countries outside of the EU.

From 2016 to 2041, the population of Lanarkshire is projected to increase by approximately 22,300 people. Equating to a three per cent increase, this is lower than the national projected growth rate of five per cent over the same period.

The largest increases are expected in the 65 or older age groups, with an 84 per cent increase projected for those aged 75+ (an additional 51,200 people) and 22 per cent among those aged 65-74 (an additional 17,000 people). There is a forecast decline in all other age groups over the period, with the most substantial percentage decline of nine per cent projected for those aged 16-29, a projected fall of 10,700 people.

These shifts suggest that the region could have a larger and generally older population by 2041. This has implications for the region’s dependency ratio. Brexit may also affect the population structure and exacerbate any challenges. By 2041, the region’s dependency ratio is expected to increase to 76 per cent. Ranging across the region from 72 per cent in North Lanarkshire, to 76 per cent in South Lanarkshire and 83 per cent in East Dunbartonshire (the highest in the region). Across Scotland the dependency ratio is expected to rise to 70 per cent (see Figure 19).

Figure 19
Dependency ratio (2016 and 2041)
Skills Shortages, Gaps and Challenges in Lanarkshire
Skills Shortages, Gaps and Challenges in Lanarkshire

The Employer Skills Survey (ESS) gathered information on the skills challenges that employers encountered when recruiting, and any challenges that they had within their existing workforces. It is the primary source for this insight as it has taken a consistent approach across sectors and regions. The survey covered:

- Recruitment and skill-shortage vacancies;
- Skills gaps in the existing workforce;
- Skills under-utilisation;
- Upskilling - the need for staff to acquire new skills or knowledge;
- Training and workforce development; and
- High Performance Working practices.

The insight presented here is from the 2017 ESS which covered Scotland, England, Wales and Northern Ireland. The next ESS will be published in 2020 and unlike previous years, Scotland’s results will be published by the Scottish Government. Future ESS results for England, Wales and Northern Ireland will still be available and will be published by the UK Government.

Skills Shortages

Skills shortages are challenges that arise when employers are recruiting but are unable to find applicants with the required skills. When a vacancy cannot be filled due to a shortage of skills it is a skill-shortage vacancy (SSV). SSVs impact on the workplace and workforce in a number of ways, including:

- Increasing the workload for other staff;
- Creating difficulties when trying to meet customer service objectives; and
- Increasing operating costs.

In 2018, skills shortages were estimated to have cost Scottish employers £361.3 million, roughly £17,000 per organisation.

To understand the scale of the challenge that they present we can consider their incidence (how many employers are experiencing the challenge) and their density (how many vacancies are affected).

In 2017, the number of employers reporting at least one SSV in Lanarkshire was seven per cent, compared to six per cent for Scotland. This suggests a challenge that extends further across the region’s labour market compared to Scotland’s. The incidence of SSVs in the region was lower in 2015 (five per cent), whereas across Scotland the incidence of SSVs has remained the same (six per cent) from 2015 to 2017.

Density, which indicates how many vacancies were SSVs, was lower in Lanarkshire than Scotland in 2017 and 2015. In 2017, density in the region was 14 per cent, down from 17 per cent in 2015. Across Scotland, density was 24 per cent in 2015 and 2017 (see Figure 20).
Across Scotland, to overcome SSVs, the most common responses employers took were to:

- Increase their expenditure on advertising and recruitment;
- Use new recruitment methods; and
- Redefine existing jobs.

Skills are not the only reason employers can find it difficult to fill vacancies. Other factors like hours and location, can make it hard to fill vacancies. In Lanarkshire, 49 per cent of employers tried to recruit non-UK nationals to overcome hard to fill vacancies, compared to 41 per cent across Scotland. Across Scotland, most employers (89 per cent) who sought to recruit non-UK nationals considered EU nationals. Equivalent data for Lanarkshire is not available however any changes to migration policy as a result of Brexit will affect all regions in Scotland.

Most employers took action to overcome SSVs, however 11 per cent of Scottish employers in 2017 took no action.

**Figure 20**
Skills Shortage Vacancies (2015 and 2017), Lanarkshire

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of employers with a Skills Shortage Vacancy</th>
<th>Percentage of vacancies that were Skills Shortage Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>5%</td>
<td>17%</td>
</tr>
<tr>
<td>2017</td>
<td>7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Skills Gaps

Skills gaps arise when existing employees are not fully proficient as they do not have all the skills necessary for their role – these can be people, personal, practical and/or technical skills. Similar to skills shortages, we consider the incidence (how many employers have at least one person not fully proficient) and density (how many employees are not fully proficient). Skills gaps have similar impacts to SSVs and can slow down innovation in the workplace. Across Scotland, the most common causes of skills gaps were:

• Employees being new to their role, or training being incomplete;
• A lack of staff motivation; and
• An inability to recruit staff with the required skills, creating a need to upskill employees/recruits.

In 2017, the number of employers who reported a skills gap in at least one employee was 18 per cent in Lanarkshire, compared to 16 per cent for Scotland. Since 2015, the incidence of skills gaps in the region has increased. In 2015, 14 per cent of employers experienced a skills gaps – a greater percentage than Scotland (13 per cent).

Overall, 3.4 per cent of the workforce in Lanarkshire had a skills gap in 2017. This was a decrease from 3.9 per cent in 2015, and below the Scottish rate of 4.9 per cent in 2015 and 5.0 per cent in 2017. This, alongside the insight on incidence, suggests that whilst skills gaps affected more employers in Lanarkshire than average, they typically had fewer skills gaps within their workforce (see Figure 21).

Across Scotland employers responded to skills gaps by:

• Increasing their expenditure on training, expanding trainee programmes and/or increasing training activity;
• Implementing more staff supervision; and
• Implementing a mentoring or buddy scheme.

---

![Figure 21](Figure_21_Skills_Gaps_(2015_and_2017)_Lanarkshire.png)

**Figure 21**

Skills Gaps (2015 and 2017), Lanarkshire

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Across Scotland employers responded to skills gaps by:

• Increasing their expenditure on training, expanding trainee programmes and/or increasing training activity;
• Implementing more staff supervision; and
• Implementing a mentoring or buddy scheme.
Most employers in Lanarkshire acted to overcome skills gaps, and 18 per cent sought to recruit non-UK nationals as a response, compared to 15 per cent across Scotland. Across Scotland, most employers (93 per cent) who sought to recruit non-UK nationals considered EU nationals, equivalent data for Lanarkshire is not available.

Most employers took action to overcome SSVs, however 15 per cent of Scottish employers took no action in 2017.

**Skills Under-Utilisation**

Employees are under-utilised if they have skills and qualifications more advanced than what is needed for their role. Addressing skills under-utilisation is important. In 2012 the economic cost to the UK of skills under-utilisation was estimated to be between £12-25bn. If skills-utilisation was on a par with the levels observed in Germany or France, UK GDP would be £5-9bn higher. There are implications for individuals too, having their skills under-utilised can impact on their income, health and wellbeing.

Similar to SSVs and skills gaps we can understand the incidence (how many employers have under-utilised employees) and density of the challenge (how many employees are under-utilised).

The number of employers reporting skills under-utilisation in their workforce was lower in Lanarkshire in 2017 compared to Scotland, 32 per cent and 35 per cent respectively. Whilst lower, this suggests that almost one third of employers in the region had skills and talent going unused. The percentage of employers reporting skills under-utilisation increased in the region and across Scotland from 2015 to 2017, from 30 per cent and 32 per cent respectively.

The proportion of staff under-utilised has increased in the region, from 5.3 per cent in 2015 to 9.0 per cent in 2017. Across Scotland, the percentage of staff under-utilised increased from 7.9 per cent to 9.2 per cent which suggests a skills challenge that is growing (see Figure 22).

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**Figure 22**

**Skills Under-Utilisation (2015 and 2017), Lanarkshire**

<table>
<thead>
<tr>
<th></th>
<th>Percentage of employers reporting Skills Under-Utilisation</th>
<th>Percentage of the workforce Under-Utilised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>5.3%</td>
</tr>
<tr>
<td></td>
<td>32%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey

---

Upskilling
Skills are gained throughout life, and a need to upskill can arise due to:
- New legislative or regulatory requirements;
- The introduction of new technologies, equipment or working practices;
- Increased competitive pressure;
- The development of new products and services; and more recently
- The UK’s decision to leave the EU.

A need to upskill employees in the next 12 months was anticipated by 79 per cent of employers in Lanarkshire (as of 2017). This was greater than the percentage of employers across Scotland (69 per cent). Within the region, operational skills and digital skills were the most commonly mentioned development area (55 per cent and 54 per cent respectively). The need to upskill operational skills was lower in the region compared to Scotland (57 per cent), whilst the need to upskill digital skills was greater (49 per cent). The expected need to upskill complex analytical skills in the region was the same as Scotland (44 per cent) (see Figure 23). The evidence suggests that more employers in Lanarkshire expect to upskill their workforce in the next twelve months compared to Scotland as a whole, with the greatest requirement for upskilling in digital skills.
Conclusion
Conclusion
In 2019 Lanarkshire made a GVA contribution to the Scottish economy of £13.4bn, ten per cent of Scotland’s output (£138.8bn). Looking ahead, the economy is forecast to grow by 1.5 per cent on average each year up to 2029. This rate of growth would be slower than what is forecast across Scotland, and slower than the rate of growth that occurred in Lanarkshire from 2009 to 2019. The forecast however reflects a point in time and the high levels of economic uncertainty could change the outlook.

Total employment in Lanarkshire (measured by jobs) was estimated to be 305,900 in 2019, 11 per cent of Scottish employment. Employment in the region increased from 2009 to 2019, and this growth is forecast to continue in the future from 2019 to 2029. The four sectors forecast to have the greatest jobs growth are: Construction, 3,300 jobs; Administrative and Support Service Activities, 3,000 jobs; Professional, Scientific and Technical Activities, 1,800 jobs; and Human Health and Social Work, 1,500 jobs.

As the region’s share of Scotland’s employment was higher in 2019 than its share of GVA productivity performance was below average. Productivity was £44,000 in Lanarkshire compared to £50,400 across Scotland.

The employment growth forecast will create 5,100 new jobs in the region and the need to replace workers leaving the labour market will create further 104,000 opportunities. Vacancies arising due to the replacement requirement far outweigh those created by growth.

To fill these jobs, and others, there is a forecast requirement for 91,000 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs.

By occupation, the greatest number of people are forecast to be required in:
- Clerical and Service Elementary Occupations, 14,100 people;
- Sales Occupations, 12,300 people;
- Teaching and Research Professions, 6,800 people;
- Health Professionals, 6,000 people; and
- Caring Personal Service Occupations, 6,000 people.

Whilst there will be demand for people to fill jobs, the population projection suggests that Lanarkshire could have a larger and generally older population by 2041. This presents a number of challenges:
- Skills challenges could be exacerbated by a deficit of talent, created due to the growth of people reaching retirement age and the decline of people of working age;
- Pressures on public finances and services could increase due to a growing dependency ratio, the region’s dependency ratio is expected to reach 76 per cent by 2041, up from 57 per cent in 2016; and
- Migration has been a driver of population growth across Scotland and an important source of skilled labour. In the region, four per cent of the population were born outside of the UK, and changes to migration policy arising from Brexit could adversely affect future migration to the region and also impact on those who have already settled.

To address the current and future challenges in the labour market, and to make the most of the region’s strengths SDS is working in partnership with others on a range of actions.

The college regions of Glasgow, Lanarkshire and West together make up the Glasgow City Region.
The Glasgow City Region Partnership was established in 2018 and brings together senior representatives from the UK and Scottish Governments and business with the chief executives from SDS, Scottish Enterprise and the eight local authorities within the City Region. The Partnership provides leadership and governance for City Region strategies and their delivery.

Two major sub-committees of the partnership inform the City Region’s approach to education and skills:

- The West Partnership is Glasgow City Region’s Education Improvement Collaborative. It brings together the eight directors of education from across the City Region. Its initial focus is on improvement, early learning and childcare, and the learner journey.

- Glasgow City Region’s Economic Delivery Group brings together the Scottish Government and its enterprise and skills agencies with the eight directors of economic development from across the City Region. It is responsible for the development and implementation of the regional economic strategy.

There are also eight City Region portfolio groups which develop regional policy approaches around specific subjects of particular interest to the City Region. The Skills and Employment Portfolio Group brings together skills and employability leads from across the eight local authorities with SDS, the West Partnership, college representatives and the Department for Work and Pensions (DWP). This group has developed, and will monitor progress on, the Glasgow City Region Skills Investment Plan.

There are Community Planning Partnerships in each of the local authority areas – North Lanarkshire, South Lanarkshire and East Dunbartonshire – which seek to address local Outcome Improvement Plans.

The Glasgow City Region Economic Strategy and Action Plan was published in 2017 with a vision for 2035 of:

“A strong, inclusive, competitive and outward-looking economy, sustaining growth and prosperity with every person and business reaching their full potential”

There are 11 objectives contributing to delivering this ambition ranging from talent attraction and skills supply through to supporting business growth and inward investment.

Progress on the strategy will be reported to the Glasgow City Region Partnership early in 2020.

An updated Glasgow City Region Skills Investment Plan was published in 2019 and launched by the Minister for Public Finance and the Digital Economy.

Its mission for 2035 is:

“To create a skills system which underpins a strong, inclusive, competitive and outward-looking economy (which will be) agile and resilient, adapting to challenges and opportunities emerging from global technological and economic trends”

The six strategic outcomes are:

- City Region alignment and working across education and skills bodies and geographies in the norm for skills planning, investment and provision;
- Reduce percentage of employers reporting skill shortages and skill gaps;
- Reduce percentage of working age population with no qualifications; and/or economically inactive due to health or disability to below Scottish average;
- Increase productivity; increase job density; increase percentage of standard jobs; increase average earnings above Scottish average;
- Reduce inequalities in pay and employment access by gender, disability, ethnicity, care experience and other protected characteristics to below Scottish average; and
- Halve gaps in education, skills and employment outcomes between SIMD10 and Glasgow City Region average.
Progress on the Regional Skills Investment Plan will be reported annually to the Glasgow City Region Partnership.

North Lanarkshire Council published *Our Plan for Growth in 2018*, identifying three priorities:

- supporting businesses, developing our infrastructure and attracting investment
- increasing employment and improving the skills of our workforce; and,
- regenerating our town centres and communities.

North Lanarkshire Council also published *Live Learn Work Invest Visit - The Plan for North Lanarkshire in 2019*. It is a “shared ambition for inclusive growth and prosperity for all”.

The ten-year economic strategy for South Lanarkshire – Promote – had its mid-term review in 2019, and the East Dunbartonshire Economic Strategy 2017-20 reports through the community planning structures.

Glasgow City Region is one of Scotland’s economic powerhouses, it is home to one third of Scotland’s people and accounts for almost one third of Scotland’s economic output.

Within the City Region, the Lanarkshire College Region has both particular sectoral strengths and opportunities and specific local challenges. Skills Alignment will see the skills system become even more responsive to industry needs, with changes to curriculum that meet the needs of a growing economy and address the challenge of achieving inclusive economic growth.

**Contact Us:** If you have any feedback or comments on this report, please email rsa@sds.co.uk