Regional Skills Assessment
Falkirk and Grangemouth Investment Zone
Summary Report 2019
Regional Skills Assessments
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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 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 Note¹ 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 SIC² and SOC³ 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 website⁴.

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 Matrix⁵ 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 the Falkirk and Grangemouth Investment Zone Growth Deal which covers the Falkirk local authority.

¹ https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
⁴ SDS, Skills Investment Plans. http://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills-investment-plans/
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 growth6.

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 20107. 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 20078. 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 Scotland9 (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 204110. 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 ratios11 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 benefitting 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**

**Scotland’s Response to the Climate Emergency**

In April 2019, Scotland’s First Minister declared a climate change emergency with targets being set to reduce greenhouse gas emissions to net-zero by 2045. In May 2019, Scotland’s Climate Change Secretary set out Scotland’s response to the climate change emergency including action such as:

- A change in approach to airport departure tax;
- Funding to strengthen the rail freight industry and reduce the amount of freight that travels by road; and
- A new farmer-led initiative to drive low-carbon, environmentally sustainable farming practices.

The Cabinet Secretary for Environment, Climate Change and Land Reform confirmed that Scottish Government will be “placing climate change at the heart of everything we do”\textsuperscript{18} and this is at the core of the recently published Programme for Government.

\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**).

![Skills 4.0](https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills4-0)

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

A skills model to drive Scotland’s future

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

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

<table>
<thead>
<tr>
<th></th>
<th>Scotland’s Skills Issues</th>
<th>Scotland’s Skills Issues</th>
<th>Scotland’s Skills Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>We need innovative workplaces and skills to boost productivity with employers and employees as active participants in the skills system</td>
<td>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</td>
<td>We need to develop fit for purpose skills to enable Scotland to achieve its ambitious target for greenhouse gas emissions</td>
<td>We need to develop sector specific skills for the economy and skills for resilience – ‘meta skills’</td>
</tr>
</tbody>
</table>

**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

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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
Falkirk’s Economy
Falkirk’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 Falkirk in 2019 was £3.6bn, three per cent of Scotland’s output (£138.8bn).

In 2019, the highest value sectors in Falkirk were:
- Manufacturing, £0.7bn;
- Human Health and Social Work, £0.5bn;
- Transportation and Storage, also £0.4bn;
- Real Estate Activities, £0.4bn; and
- Wholesale and Retail Trade, £0.3bn.

Past Economic Performance
From 2009 to 2019 the Falkirk economy, measured by GVA, grew by 1.3 per cent on average each year. This was a slower rate of growth than Scotland, which over the same period experienced 1.7 per cent growth on average each year.

Future Economic Performance
GVA in Falkirk is forecast to grow by 1.4 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 Falkirk is expected to be driven by the dominant Real Estate sector from 2019 to 2029, 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:
- Human Health and Social Work, £74.2m;
- Manufacturing, £57.7m;
- Wholesale and Retail Trade, £49.6m;
- Administrative and Support Services, £42.3m; and
- Construction; £40.7m.

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. In Falkirk, Professional, Scientific and Technical Activities is expected to have the greatest rate of GVA growth from 2019 to 2029 (2.6 per cent). The Administrative and Support Services and Information and Communication sectors are also expected to have fast rates of growth from 2019, averaging 2.5 per cent and 2.4 per cent each year up to 2029 respectively.

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 -0.7 per cent each year from 2019 to 2029 in Falkirk. However, Education and Human Health and Social Work are forecast to have GVA growth, growing by 0.3 per cent and 1.5 per cent per year over the forecast period respectively (see Figure 4). For Human Health and Social Work, this will be a result of increased demand for these services due to changes in the growth region’s population structure.

**Figure 4**
Forecast average annual GVA change by Industry (%) (2019 - 2029), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics
The key sectors contributing most to GVA growth in Falkirk from 2019 to 2029 are expected to be Health and Social Care, Construction, Financial and Business Services 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 growth regional economy already.

Figure 5
Forecast absolute GVA growth by Key Sector (£m) (2019 - 2029), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics
Looking instead at percentage change for the key sectors for 2019 to 2029, Child-Day Care Activities is forecast to be the fastest growing. It is forecast to grow 3.8 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, like Child-Day Care Activities the overall contribution from Digital and Creative Industries will be lower due to their smaller size relative to the much larger, dominant key sectors in the growth region currently (see Figure 6).

**Figure 6**
Forecast average annual GVA growth by Key Sector (%) (2019 - 2029), Falkirk and Grangemouth Investment Zone

- Child-day care activities: 3.8%
- Digital: 2.5%
- Creative industries: 2.1%
- Financial and business services: 2.0%
- Life sciences: 1.6%
- Health and social care: 1.5%
- Food and drink: 1.5%
- Tourism: 1.4%
- Construction: 1.2%
- Engineering: 1.1%
- Energy: 1.1%
- 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 growth regional GVA by total growth 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 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 Falkirk was £50,300. This was similar but slightly lower than the Scottish average of £50,400 (see Figure 7) and reflects the industrial mix in the region.

From 2009 to 2019, productivity in Falkirk grew by 0.3 per cent on average each year. This rate of growth was slower than what occurred across Scotland.

Average annual productivity growth across Scotland was 1.3 per cent over the period. The equivalent for the UK was 0.8 per cent.

Productivity in Falkirk is forecast to grow at an average of 1.3 per cent per year from 2019 to 2029. This is below 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)

Average annual productivity growth across Scotland was 1.3 per cent over the period. The equivalent for the UK was 0.8 per cent.

Productivity in Falkirk is forecast to grow at an average of 1.3 per cent per year from 2019 to 2029. This is below the growth rate expected for Scotland as a whole (1.4 per cent), and below that of the UK (1.5 per cent).

Source: Oxford Economics
Employment in Falkirk
Employment in Falkirk

Current Employment

Total employment in Falkirk (measured by jobs) was estimated to be 71,600 in 2019, three per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in Falkirk was 75.4 per cent, which was above rate for Scotland (74.5 per cent). Compared to Scotland, the region had above average employment rates for:

- Males, 79.8 per cent compared to 78.1 per cent; and
- Disabled people, 52.3 per cent compared to 45.9 per cent.

The region had below average employment rates for:
- Young people (aged 16-24), 57.5 per cent compared to 58.3 per cent; and
- Ethnic minorities, 52.3 per cent compared to 57.4 per cent²².

The employment rate for females in Falkirk was the same as Scotland, 71.1 per cent.

The region’s overall employment rate means that approximately one in four of the region’s working age population were unemployed (2.8 per cent) or economically inactive (22.5 per cent)²³. Inactivity includes people who are studying, retired or looking after their family or home.

Across Scotland and within the Growth Deal area full-time jobs were most numerous, 48,500 jobs (68 per cent) were full-time in 2019. This was the same percentage share of jobs as across Scotland. Within Falkirk over three fifths of full-time jobs (29,700; 61 per cent) were held by males, and the remaining 39 per cent were held by females (18,800 jobs).

The percentage of jobs that were part-time was the same as the Scottish average in Falkirk (32 per cent). Overall there were 23,100 part-time jobs in Falkirk, females accounted for more than three quarters (18,100; 78 per cent). Whilst males accounted for 22 per cent, 5,000 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.

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Figure 8
Employment by gender and full-time/part-time (2019), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics
In Falkirk, the largest employing sectors, and their growth regional share of employment, in 2019 were (see Figure 9):

- Human Health and Social Work, 19 per cent;
- Wholesale and Retail Trade, 15 per cent;
- Manufacturing, 12 per cent; and
- Construction, nine per cent.

Real Estate Activities, the sector that is expected to contribute most to economic growth in Falkirk from 2019 to 2029 (irrespective of the imputed rent consideration) accounted for a small share of employment in 2019. The sector accounted for 700 jobs, a one per cent share.

**Figure 9**
Employment by Industry and share of total employment (2019), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics
Large sectors are an important source of jobs, however growth 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 growth region compared to the national average. In Falkirk, Manufacturing and Transportation and Storage were the greatest specialisms (both 1.8 times greater than the Scottish average). Construction also had an above average concentration in Falkirk (1.4 time more concentrated).

Of the key sectors, Health and Social Care, as might be expected given the sectoral insight above, was the largest in Falkirk in 2019. The sector accounted for 13,300 jobs. Construction was the second largest with a total of 7,900 jobs (see Figure 10).

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**Figure 10**
Employment by Key Sector and share of total employment (2019), Falkirk and Grangemouth Investment Zone

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
<th>Share of Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and social care</td>
<td>13,300</td>
<td>19%</td>
</tr>
<tr>
<td>Construction</td>
<td>7,900</td>
<td>11%</td>
</tr>
<tr>
<td>Tourism</td>
<td>4,500</td>
<td>6%</td>
</tr>
<tr>
<td>Engineering</td>
<td>3,700</td>
<td>5%</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>3,600</td>
<td>5%</td>
</tr>
<tr>
<td>Food and drink</td>
<td>2,900</td>
<td>4%</td>
</tr>
<tr>
<td>Energy</td>
<td>1,700</td>
<td>2%</td>
</tr>
<tr>
<td>Creative industries</td>
<td>1,300</td>
<td>2%</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>1,000</td>
<td>1%</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>600</td>
<td>1%</td>
</tr>
<tr>
<td>Digital</td>
<td>500</td>
<td>1%</td>
</tr>
<tr>
<td>Life sciences</td>
<td>200</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 (37 per cent) in Falkirk were ‘higher level’, 34 per cent were ‘mid-level’ and 30 per cent were ‘lower level’. Compared to Scotland, the occupational structure of Falkirk had a greater percentage of the workforce in ‘mid-level’ occupations and fewer in ‘higher level’ occupations. Falkirk was in line with the Scottish average for ‘lower-level’ occupations (30 per cent). Scotland had a greater percentage in ‘higher level’ (45 per cent) occupations but fewer in ‘mid-level’ (25 per cent) occupations.

A detailed look at the occupational structure shows that the largest occupations in the growth region in 2019 were (see Figure 11):
- Clerical and Services Elementary Occupations, 12 per cent;
- Administrative Occupations, ten per cent; and
- Health Professionals, nine per cent.

![Figure 11](image-url)

**Figure 11**
Employment by occupation and share of total employment (2019), Falkirk and Grangemouth Investment Zone

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical and Services Elementary Occupations</td>
<td>7,700</td>
<td>12%</td>
</tr>
<tr>
<td>Administrative Occupations</td>
<td>6,400</td>
<td>10%</td>
</tr>
<tr>
<td>Health Professionals</td>
<td>5,700</td>
<td>9%</td>
</tr>
<tr>
<td>Caring Personal Service Occupations</td>
<td>4,900</td>
<td>7%</td>
</tr>
<tr>
<td>Corporate Managers</td>
<td>4,000</td>
<td>6%</td>
</tr>
<tr>
<td>Skilled Metal and Electrical Trades</td>
<td>3,800</td>
<td>6%</td>
</tr>
<tr>
<td>Sales Occupations</td>
<td>3,600</td>
<td>6%</td>
</tr>
<tr>
<td>Transport and Mobile Machine Drivers and Operatives</td>
<td>3,200</td>
<td>5%</td>
</tr>
<tr>
<td>Business and Public Service Associate Professionals</td>
<td>3,200</td>
<td>5%</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>3,100</td>
<td>5%</td>
</tr>
<tr>
<td>Business and Public Service Professionals</td>
<td>2,600</td>
<td>4%</td>
</tr>
<tr>
<td>Managers and Proprietors in Agriculture and Services</td>
<td>2,300</td>
<td>3%</td>
</tr>
<tr>
<td>Leisure and Other Personal Service Occupations</td>
<td>2,100</td>
<td>3%</td>
</tr>
<tr>
<td>Secretarial and Related Occupations</td>
<td>2,100</td>
<td>3%</td>
</tr>
<tr>
<td>Teaching and Research Professionals</td>
<td>1,900</td>
<td>3%</td>
</tr>
<tr>
<td>Skilled Construction and Building Trades</td>
<td>1,900</td>
<td>3%</td>
</tr>
<tr>
<td>Science and Technology Professionals</td>
<td>1,700</td>
<td>3%</td>
</tr>
<tr>
<td>Trades, Plant and Storage Elementary Occupations</td>
<td>1,600</td>
<td>2%</td>
</tr>
<tr>
<td>Science and Technology Associate Professionals</td>
<td>1,200</td>
<td>2%</td>
</tr>
<tr>
<td>Health and Social Welfare Associate Professionals</td>
<td>800</td>
<td>1%</td>
</tr>
<tr>
<td>Textiles, Printing and Other Skilled Trades</td>
<td>600</td>
<td>1%</td>
</tr>
<tr>
<td>Protective Service Occupations</td>
<td>600</td>
<td>1%</td>
</tr>
<tr>
<td>Skilled Agricultural Trades</td>
<td>400</td>
<td>1%</td>
</tr>
<tr>
<td>Customer Service Occupations</td>
<td>400</td>
<td>1%</td>
</tr>
<tr>
<td>Culture, Media and Sports Occupations</td>
<td>300</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Past Employment

Employment in Falkirk increased by 11.5 per cent from 2009 to 2019. This was largely caused by growth in prominent, large employing sectors including:

- Human Health and Social Work, 2,800 jobs;
- Administration and Support Services, 1,500 jobs; and
- Transportation and Storage, 1,400 jobs.

Whilst these sectors experienced job growth, other sectors contracted. The greatest absolute decline occurred in the Wholesale and Retail Trade sector in Falkirk. Compared to 2009, there were 1,200 fewer jobs in the sector in 2019. Decline also occurred in Accommodation and Food Services (-500 jobs) and Water Supply, Sewerage and Waste Management (-200 jobs).

Beyond the sectors, other shifts in the growth region's labour market have occurred. Part-time employment and full-time employment increased, by 3,300 jobs and 4,100 jobs respectively from 2009 to 2019. Female and male employment also increased during this period by 6,500 jobs and 900 jobs respectively.

Employment Forecast

The employment growth that has occurred in Falkirk in the past is forecast to continue. From 2019 to 2029 employment growth of 1.5 per cent is forecast in the growth region. This equates to 0.1 per cent change year to year, and 1,100 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 greater still, a five per cent increase, or 0.5 per cent annual change, is forecast.

Over the period to 2029, full-time employment is expected to increase in Falkirk with 600 more full-time jobs in 2029 compared to 2019. Both male and female full-time employment will increase, by 200 and 400 jobs respectively. Part-time employment is also expected to increase by 500 jobs. Female part-time employment is forecast to increase by 200 jobs, as well as male part-time employment which is forecast to increase by 300 (see Figure 12).

**Figure 12**

Forecast employment change, by gender and full-time/part-time (2019 - 2029), Falkirk and Grangemouth Investment Zone

<table>
<thead>
<tr>
<th></th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>300</td>
<td>200</td>
</tr>
<tr>
<td>Female</td>
<td>200</td>
<td>400</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Although employment is forecast to increase in Falkirk from 2019 to 2029, sectors will have varying performance. The greatest growth in jobs is forecast in Administration and Support Services, with 800 more jobs expected in the sector by 2029 compared to 2019. Other sectors forecast to have growth over the forecast period are Construction (600 jobs) and Human Health and Social Work (500 jobs).

Employment growth is also forecast in Falkirk’s public services sector. Public Administration and Defence is forecast to contract by 300 jobs over the forecast period due to continued pressure on public finances. However, this will be offset by growth of 500 jobs in the Health and Social Work sector whilst employment in Education will stay the same.

Job losses in Falkirk are also forecast in some sectors, notably in the production 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 1,400 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).

Figure 13
Forecast employment change by Industry (2019 - 2029), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics

24 Comprising Public administration and defence, Education, and Human health and social work.
The growth and contraction of employment by sector means that private services\textsuperscript{25} are expected to account for a larger share of jobs in Falkirk over the forecast period. The percentage is forecast to rise from 47 per cent in 2019 to 49 per cent in 2029. In 2019 the Construction sector is also forecast to increase from nine per cent to ten per cent over the forecast period. In 2019, public services and primary industries accounted for 30 per cent and one per cent of employment respectively. This share is expected to be maintained in 2029. Manufacturing is expected to decline by two percentage points over the forecast period to from 12 per cent to ten per cent in 2029.

Looking ahead, the outlook for the key sectors largely echoes the broad sector trends summarised above – with Construction forecast to have the greatest growth (600 jobs). Health and Social Care is expected to grow by 500 jobs from 2019 to 2029 in Falkirk.

A number of other key sectors will experience growth over the forecast period, including:
- Financial and Business Services, 400 jobs;
- Tourism, 200 jobs; and
- Child-Day Care Activities, 200 jobs.

Engineering and Energy are the key sectors forecast to have the greatest employment decline in Falkirk, with 300 fewer jobs each in 2029 compared to 2019 expected (see Figure 14).

\textit{Source: Oxford Economics}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{fig14.png}
\caption{Forecast employment change by Key Sector (2019 - 2029), Falkirk and Grangemouth Investment Zone}
\end{figure}

\textsuperscript{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.
By occupation, Caring Personal Service Occupations and Health Professionals are forecast to experience the greatest increase in employment in Falkirk from 2019 to 2029 (an increase of 300 workers each). Growth in these occupations is closely related to the forecast rise in employment in the Health and Social Work sector. Other occupations anticipated to have an increase that is relatively large for the growth region are:

- Business and Public Service Professionals, 200 workers;
- Managers, Proprietors in Agriculture and Services, 200 workers;
- Clerical and Services Elementary Occupations, 200 workers; and
- Skilled Construction and Building Trades, 200 workers.

Occupations likely to contract over the next decade tend to be those most closely associated with Manufacturing and Public Administration and Defence, reflecting the declining numbers of jobs in each of these sectors. Examples include Skilled Metal and Electrical Trades (-300 people) and Administrative Occupations (-200 people) (see Figure 15).

**Figure 15**
Forecast employment change by occupation (2019 - 2029), Falkirk and Grangemouth Investment Zone

By occupation, Caring Personal Service Occupations and Health Professionals are forecast to experience the greatest increase in employment in Falkirk from 2019 to 2029 (an increase of 300 workers each). Growth in these occupations is closely related to the forecast rise in employment in the Health and Social Work sector. Other occupations anticipated to have an increase that is relatively large for the growth region are:

- Business and Public Service Professionals, 200 workers;
- Managers, Proprietors in Agriculture and Services, 200 workers;
- Clerical and Services Elementary Occupations, 200 workers; and
- Skilled Construction and Building Trades, 200 workers.

Occupations likely to contract over the next decade tend to be those most closely associated with Manufacturing and Public Administration and Defence, reflecting the declining numbers of jobs in each of these sectors. Examples include Skilled Metal and Electrical Trades (-300 people) and Administrative Occupations (-200 people) (see Figure 15).
Total Labour Market Requirement in Falkirk
In the previous sections we presented what has happened, is happening and what is forecast to happen in the Falkirk 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 Falkirk, 26,700 job openings are forecast from 2019 to 2029. In the Growth Deal area, and as shown in the previous chapter, 1,100 jobs are forecast to be created in Falkirk from 2019 to 2029 due to expansion in the labour market. A further 25,600 job openings will arise due to the replacement requirement.

These opportunities are expected to be concentrated in a small number of sectors, with three sectors in Falkirk forecast to account for half (50 per cent) of the requirement. These are (see Figure 16):

- Wholesale and Retail Trade, 5,600 jobs;
- Administration and Support Services, 4,000 jobs; and
- Transportation and Storage, 3,700 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), Falkirk and Grangemouth Investment Zone

Source: Oxford Economics
To fill these jobs, and others, there is a forecast requirement for 24,000 people in the Growth Deal area 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 Falkirk is expected to increase by 800 over the forecast period. There will also be a replacement requirement of 23,100 people.

By occupation, the greatest number of people are forecast to be required in (see Figure 17):
- Clerical and Service Elementary Occupations, 4,900 people;
- Sales Occupations, 2,400 people;
- Health Professionals, 2,200 people;
- Administrative Occupations, 1,700 people; and
- Caring Personal Service Occupations, 1,600 people.

Figure 17
Forecast net requirement by occupation (2019 - 2029), Falkirk and Grangemouth Investment Zone

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

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 Falkirk was 159,400, three per cent of Scotland’s population.

By age, the largest group in Falkirk were people of working age (16-64 years). There were 101,900 people in this age group, 64 per cent of the growth region’s population. Whilst it was the largest group, 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 Growth Deal area’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 Falkirk was 56 per cent. This means that for every 100 people of working age, there were 56 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 29,200 people aged 65 or older who accounted for 18 per cent of Falkirk’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 28,400 individuals in this age group (see Figure 18).

Figure 18
Population by age (2016), Falkirk and Grangemouth Investment Zone and Scotland

![Diagram showing population by age for Falkirk and Scotland](image_url)

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 Falkirk, there were 6,000 people who were born in the EU and a further 2,000 from the rest of the world in 2018. The EU born population accounted for four per cent of the region’s population, and one per cent of the region’s population were born elsewhere in the world. Compared to Scotland the same percentage of the region’s population were born in the EU, and a smaller percentage were born 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 Falkirk is projected to increase by approximately 12,800 people. Equating to an eight per cent increase, this is greater than the national projected growth rate of five per cent over the same period.

The age structure of the Growth Deal area’s population is projected to change over the coming decades, with the percentage of the population who are of working age expected to fall from 64 per cent in 2016 to 58 per cent in 2041; a projected decrease of 2,800 people.

The largest increases are expected in the 65 or older age groups, with a 90 per cent increase projected for those aged 75+ (an additional 11,300 people) and 31 per cent among those aged 65-74 (an additional 5,100 people). There is a forecast decline in all other age groups over the period (all declining by three per cent).

These shifts suggest that the growth 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 growth region’s dependency ratio is expected to increase to 74 per cent. Across Scotland the dependency ratio is expected to rise to 70 per cent (see Figure 19).

Figure 19
Dependency ratio (2016 and 2041)

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2041</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>55%</td>
<td>70%</td>
</tr>
<tr>
<td>Falkirk and Grangemouth</td>
<td>56%</td>
<td>74%</td>
</tr>
<tr>
<td>Investment Zone Growth Deal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moray Growth Deal</td>
<td>61%</td>
<td>80%</td>
</tr>
<tr>
<td>Islands Growth Deal</td>
<td>64%</td>
<td>87%</td>
</tr>
<tr>
<td>Argyll Rural Growth Deal</td>
<td>66%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: National Records of Scotland
Skills Shortages, Gaps and Challenges in Falkirk
Skills Shortages, Gaps and Challenges in Falkirk

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 growth 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.

As data is published for Regional Outcome Agreement (ROA) regions within the ESS, for this Growth Deal report data for Forth Valley ROA is provided.

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 £361.3million, 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 Forth Valley was nine 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 (eight 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 higher in Forth Valley than Scotland in 2017 and 2015. In 2017, density in the region was 35 per cent, up from 27 per cent in 2015. Across Scotland, density was 24 per cent in 2015 and 2017. This suggests that employers in the region are facing difficulties across a number of roles, with greater challenges than employers across Scotland (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 harder. In Forth Valley, 44 per cent of employers tried to recruit non-UK nationals to overcome hard to fill vacancies, compared to 41 per cent in Scotland. Across Scotland, most employers (89 per cent) who sought to recruit non-UK nationals considered EU nationals. Equivalent data for Forth Valley 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), Forth Valley

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 17 per cent in Forth Valley, 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—this was greater than the equivalent for Scotland (13 per cent).

Overall, 5.8 per cent of the workforce in Forth Valley had a skills gap in 2017. This was a decrease from 8.5 per cent in 2015, and above 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 more employers in Forth Valley experience skills gaps, and they also have a greater concentration of skills gaps in 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
Skills Gaps (2015 and 2017), Forth Valley

<table>
<thead>
<tr>
<th>Percentage of employers with a Skills Gap</th>
<th>Percentage of the workforce with a Skills Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>14%</td>
<td>8.5%</td>
</tr>
<tr>
<td>17%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Most employers in Forth Valley acted to overcome skills gaps, and nine 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 Forth Valley 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 Forth Valley in 2017 compared to Scotland, 27 per cent and 35 per cent respectively. Whilst lower, this still suggests that more than over a quarter of employers in the region had skills and talent going unused. From 2015 to 2017 the percentage of employers reporting skills mismatch decline in Forth Valley (down from 34 per cent). However, skills under-utilisation increased across Scotland from 32 per cent in 2015.

The proportion of staff under-utilised has declined in the region, from 7.5 per cent in 2015 to 6.2 per cent in 2017. This suggests that whilst more employers in the region are experiencing skills under-utilisation, in general the number of their employees under-utilised has declined. 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 across Scotland (see Figure 22).

### Figure 22

**Skills Under-Utilisation (2015 and 2017), Forth Valley**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Employers Reporting Skills Under-Utilisation</th>
<th>Percentage of the Workforce Under-Utilised</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>34%</td>
<td>7.5%</td>
</tr>
<tr>
<td>2017</td>
<td>27%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey

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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;
- The UK’s decision to leave the EU.

A need to upskill employees in the next 12 months was anticipated by 58 per cent of employers in Forth Valley (as of 2017). This was lower than the percentage of employers across Scotland who anticipated a need to upskill (69 per cent). Within the region, operational skills were the most commonly mentioned development area (61 per cent compared to 57 per cent across Scotland). The need to upskill digital skills was higher in the region compared to Scotland (58 per cent compared to 49 per cent), as was the expected need to upskill complex analytical skills (53 per cent compared to 44 per cent) (see Figure 23). The evidence suggests that whilst fewer employers in Forth Valley expect to upskill their workforce in the next twelve months, the upskilling requirement typically covered more skills.

Figure 23
Employers anticipating a need to upskill by type of skill (2017), Forth Valley and Scotland

<table>
<thead>
<tr>
<th>Skill Type</th>
<th>Forth Valley</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex analytical skills</td>
<td>58%</td>
<td>49%</td>
</tr>
<tr>
<td>Operational skills</td>
<td>61%</td>
<td>57%</td>
</tr>
<tr>
<td>Digital skills</td>
<td>53%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Conclusion
Conclusion

In 2019 Falkirk made a GVA contribution to the Scottish economy of £3.6bn, three per cent of Scotland’s output (£138.8bn). Looking ahead, the economy is forecast to grow by 1.4 per cent on average each year up to 2029. Whilst this would be slower growth than what is forecast across Scotland, it would be greater than the average annual growth rate that Falkirk experienced 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 Falkirk (measured by jobs) was estimated to be 71,600 in 2019, three per cent of Scottish employment. Employment in the region increased from 2009 to 2019 and the forecast suggests that growth will occur in the future from 2019 to 2029. The three sectors forecast to have the greatest jobs growth are:

- Administration and Support Services, 800 jobs;
- Construction, 600 jobs; and
- Human Health and Social Work, 500 jobs.

Whilst both were three per cent, the region’s share of Scotland’s GVA was marginally lower in 2019 than its share of employment. As a result, productivity performance was slightly below average. Productivity was £50,300 in Falkirk compared to £50,400 across Scotland.

The employment growth forecast will create 1,100 new jobs in the region and the need to replace workers leaving the labour market will create further 25,600 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 24,000 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, 4,900 people;
- Sales Occupations, 2,400 people;
- Health Professionals, 2,200 people;
- Administrative Occupations, 1,700 people; and
- Caring Personal Service Occupations, 1,600 people.

Whilst there will be demand for people to fill jobs, the population projection suggests that Falkirk 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 a declining working age population;
- Pressures on public finances and services could increase due to a growing dependency ratio, the region’s dependency ratio is expected to reach 74 per cent by 2041, up from 56 per cent in 2016; and
- Migration has been a driver of population growth across Scotland and an important source of skilled labour. With five per cent of the region’s population born outside of the UK, 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.
Falkirk Council supported by regional and national partners are working on the development the Falkirk and Grangemouth Investment Zone Deal, which will seek to unlock investment and deliver transformational inclusive economic growth across its communities building on its strengths in manufacturing, tourism and service sectors. Implementation would be led by the Falkirk Economic Partnership, which is led by Falkirk Council with partners including Scottish Enterprise, Forth Valley College, Falkirk Community Trust, Scottish Canals and key private sector businesses.

There is no Forth Valley wide Regional Economic Partnership.

Falkirk is not currently covered by a Regional Skills Investment Plan.

The Economic Development Strategy for Falkirk 2015-2025 sets out the aspiration that “Falkirk is the place to be; a smarter, greener and more inclusive place, where opportunities for work, quality of life, leisure and the excellence of the living spaces offer the ideal location for people, business and communities to thrive”. The strategy was produced in collaboration with partners and local stakeholders. Key priorities are to grow the economy through increased business development, support innovation to deliver high skilled, high value jobs with a workforce with the skills to secure them and ensure that there are opportunities for all communities to benefit from developments.

The significant opportunities presented by the Falkirk and Grangemouth Investment Zone Deal have the potential to deliver jobs and increased prosperity to employers, individuals and communities across the region. A strong commitment to collaborative working across regional and national partners including the local authorities, Forth Valley College, the University of Stirling, the enterprise and skills agencies, the business community and wider partners, will maximise the benefits flowing from these developments now and in the future.

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