## 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 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 the Glasgow City Region which covers the East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire local authorities.

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1. [https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/](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/](https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/)
1 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 benefitting equally in this prosperity:

- The gender pay gap for women working full-time in Scotland was 5.7 per cent in 2018\(^\text{12}\). 
- 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\(^\text{13}\). 
- 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\(^\text{14}\). 

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\(^\text{15}\).
- 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\(^\text{16}\).
- 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\(^\text{17}\).

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

**Our growth needs to be inclusive**

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**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”\(^\text{18}\) and this is at the core of the recently published Programme for Government.

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13 Annual Population Survey (April 2018-March 2019)
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

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>
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<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>
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**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 the 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
The Glasgow City Region Economy
The Glasgow City Region 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 the Glasgow City Region in 2019 was £41.9bn, 30 per cent of Scotland’s output (£138.8bn).

In 2019, the highest value sectors in the Glasgow City Region were:
- Real Estate Activities, £5.2bn;
- Human Health and Social Work, £4.8bn;
- Manufacturing, £4.0bn;
- Wholesale and Retail, £3.8bn; and
- Public Administration and Defence, £2.9bn.

Past Economic Performance
From 2009 to 2019 the Glasgow City Region economy, measured by GVA, grew by 1.5 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 the Glasgow City Region is forecast to grow by 1.8 per cent on average each year from 2019 to 2029. This rate of growth would be above that forecast for Scotland (1.7 per cent) but below the UK’s (2.0 per cent).

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. Economic growth across Scotland is also expected to be relatively modest in the short term, as businesses operate under Brexit-related uncertainties.

GVA growth in the Glasgow City Region is expected to be driven by the dominant Real Estate sector from 2019 to 2029, the GVA produced by the sector will increase by £1,306.3m. 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, £838.6m;
- Professional, Scientific and Technical Activities, £793.9m;
- Administrative and Support Services, £681.2m;
- Wholesale and Retail Trade £636.2m; and
- Information and Communication, £615.5m.

When compared to GVA output in 2019, 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 the Glasgow City Region, Professional, Scientific and Technical Activities and Administrative and Support Services are expected to have the greatest rate of GVA growth from 2019 to 2029 (2.8 per cent growth in both sectors). Information and Communication is also expected to have a fast rate of growth from 2019, averaging 2.4 per cent each year up to 2029.
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 0.6 per cent each year from 2019 to 2029 in the Glasgow City Region. However, Education and Human Health and Social Work are forecast to have GVA growth, growing by 0.4 per cent and 1.6 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 City Region’s population structure.

Figure 4
Forecast average annual GVA change by Industry (%) (2019 - 2029), Glasgow City Region

Source: Oxford Economics
The key sectors contributing most to GVA growth in the Glasgow City Region from 2019 to 2029 are expected to be Financial and Business Services, Health and Social Care, Construction, Digital and Creative Industries (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), Glasgow City Region

Source: Oxford Economics
Looking 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 4.2 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 Financial and Business Services, Creative Industries and Digital sectors. As these are some of the most prominent sectors in the City Region’s economy their contribution to overall GVA is much greater (see Figure 6).

**Figure 6**
**Forecast average annual GVA growth by Key Sector (%) (2019 - 2029), Glasgow City Region**

- Child-day care activities: 4.2%
- Financial and business services: 2.5%
- Creative industries: 2.4%
- Digital: 2.3%
- Life sciences: 1.8%
- Energy: 1.7%
- Health and social care: 1.6%
- Tourism: 1.5%
- Engineering: 1.5%
- Construction: 1.5%
- Food and drink: 1.3%
- 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:  

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 the Glasgow City Region was £45,000. This was 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 the Glasgow City Region grew by 1.4 per cent on average each year. This rate of growth was above with the Scottish average (1.3 per cent). The equivalent for the UK was 0.8 per cent.

Productivity in the Glasgow City Region is forecast to grow at an average of 1.4 per cent per year from 2019 to 2029, the same rate as 2009 to 2019. 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)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Productivity (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glasgow City Region</td>
<td>£45,000</td>
</tr>
<tr>
<td>Inverness and Highland City-Region</td>
<td>£46,700</td>
</tr>
<tr>
<td>Scotland</td>
<td>£50,400</td>
</tr>
<tr>
<td>Stirling and Clackmannanshire City Region</td>
<td>£51,300</td>
</tr>
<tr>
<td>Edinburgh and South East Scotland City Region</td>
<td>£56,900</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Employment in Glasgow City Region
Employment in Glasgow City Region

Current Employment

Total employment in the Glasgow City Region (measured by jobs) was estimated to be 931,800 in 2019, 34 per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in the City Region was 71.8 per cent, which was below the rate for Scotland (74.5 per cent). Compared to Scotland, the region had below average employment rates for:

- Young people (aged 16-24), 52.7 per cent compared to 58.3 per cent;
- Males, 74.4 per cent compared to 78.1 per cent;
- Females, 69.4 per cent compared to 71.1 per cent;
- Disabled people, 41.3 per cent compared to 45.9 per cent; and
- Ethnic minorities, 53.5 per cent compared to 57.4 per cent.

The region’s overall employment rate means that almost three in ten of the City Region’s working age population were unemployed (4.6 per cent) or economically inactive (24.7 per cent). 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, 637,400 jobs (68 per cent) were full-time in the Glasgow City Region in 2019. This was in-line with the Scottish average. Within the region more than half of full-time jobs (390,000 jobs; 61 per cent) were held by males, and the remaining 39 per cent held by females (247,400 jobs).

The percentage of part-time jobs within the Glasgow City Region was in line with the Scottish average (32 per cent). Overall there were 294,300 part-time jobs in the Glasgow City Region, females accounted for almost three quarters (210,800 jobs; 72 per cent). Whilst males accounted for 28 per cent, 83,500 jobs (see Figure 8).

Figure 8
Employment by gender and full-time/part-time (2019), Glasgow City Region

Source: Oxford Economics

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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 the Glasgow City Region, the largest employing sectors, and their regional share of employment, in 2019 were (see Figure 9):

- Human Health and Social Work, 17 per cent;
- Wholesale and Retail Trade, 14 per cent;
- Administrative and Support Service Activities, ten per cent;
- Education, seven per cent;
- Construction, seven per cent; and
- Professional, Scientific and Technical Activities, seven per cent.

Real Estate Activities, the sector that made the greatest GVA contribution in 2019 (irrespective of the imputed rent consideration) accounted for a small share of regional employment. The sector accounted for 15,100 jobs, a two per cent share.

Figure 9
Employment by Industry and share of total employment (2019), Glasgow City Region

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 the Glasgow City Region, Electricity, Gas, Steam and Air Conditioning Supply was the greatest specialism with the percentage of employment in this sector one and a half times the Scottish average. Other sectors that had above average concentrations in the Glasgow City Region were Administrative and Support Service Activities (1.4 times more concentrated) and Financial and Insurance Activities and Real Estate Activities (both 1.2 times more concentrated).

Of the key sectors, Health and Social Care, as might be expected given the sectoral insight above, was the largest in the Glasgow City Region in 2019. The sector accounted for 155,000 jobs. Financial and Business Services was the second largest with a total of 89,400 jobs (see Figure 10).

![Figure 10](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, over two fifths of all occupations (44 per cent) in the Glasgow City Region were ‘higher level’, 29 per cent were ‘mid-level’ and 26 per cent were ‘lower level’. Compared to Scotland, the occupational structure of the Glasgow City Region had a greater percentage of the workforce in ‘mid-level’ occupations and fewer elsewhere. Scotland had a greater percentage in ‘higher level’ (45 per cent) and ‘lower-level’ (30 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 region in 2019 were (see Figure 11):

- Clerical and Service Elementary Occupations, nine per cent;
- Administrative Occupations, also nine per cent; and
- Caring Personal Service Occupations, eight per cent.

**Figure 11**
Employment by occupation and share of total employment (2019), Glasgow City Region

Source: Oxford Economics
Past Employment
Employment in the Glasgow City Region increased by 1.4 per cent from 2009 to 2019. This was largely caused by growth in prominent, large employing sectors including:
- Human Health and Social Work Activities, 19,800 jobs;
- Education, 6,100 jobs; and
- Information and Communication, 4,700 jobs.

Whilst these sectors experienced jobs growth, other sectors contracted. The greatest absolute decline occurred in the Manufacturing sector in the Glasgow City Region. Compared to 2009, there were 9,100 fewer jobs in the sector in 2019. Decline also occurred in Wholesale and Retail Trade (-4,100 jobs) and Administrative and Support Service Activities (-3,200 jobs).

Beyond the sectors, other shifts in the City Region’s labour market have occurred. Part-time employment increased by 21,800 jobs, whilst full-time employment declined by 9,000 jobs from 2009 to 2019. Female employment declined by 1,300 jobs whilst male employment increased by 14,100 jobs.

Employment Forecast
The employment growth that has occurred in the Glasgow City Region in the past is forecast to continue. From 2019 to 2029 employment growth of 4.4 per cent is forecast in the region. This equates to 0.4 per cent employment growth year to year, and 40,600 jobs in total over the forecast period. Compared to Scotland, this is a faster 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 than Scotland and the City Region, a five per cent increase, or 0.5 per cent annual change, is forecast.

The employment forecast for the local authorities within the Glasgow City Region shows a generally positive outlook. Glasgow City, East Renfrewshire, East Dunbartonshire, Renfrewshire, South Lanarkshire and North Lanarkshire are forecast to have a net increase in the number of jobs over the forecast period. Glasgow is expected to have an annual average increase of 0.7 per cent, the third largest annual increase of all local authorities in Scotland. East Renfrewshire, East Dunbartonshire and Renfrewshire are forecast to have an increase of 0.6 per cent, 0.3 per cent and 0.3 per cent respectively. South Lanarkshire and North Lanarkshire are expected to have smaller increases (0.2 per cent and 0.1 per cent respectively). Employment is not forecast to change in Inverclyde or West Dunbartonshire from 2019 to 2029.

Over the period to 2029, full-time employment is expected to increase in the Glasgow City Region with 25,100 more full-time jobs in 2029 compared to 2019. Both male and female full-time employment will increase, by 15,800 and 9,300 jobs respectively. Part-time employment is also expected to increase by 15,500 jobs. Female part-time employment is forecast to increase by 8,600 jobs, as well as male part-time employment which is forecast to increase by 6,900 (see Figure 12).

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

<table>
<thead>
<tr>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>6,900</td>
<td>8,600</td>
</tr>
<tr>
<td>15,800</td>
<td>9,300</td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Although employment is forecast to increase in the Glasgow City Region from 2019 to 2029, sectors will have varying performance. The greatest growth in jobs is forecast in Administration and Support Services, with 16,300 more jobs expected in the sector by 2029 compared to 2019. Other sectors forecast to have growth in excess of 5,000 over the forecast period are Professional, Scientific and Technical Activities (9,200), Construction (8,100) and Human Health and Social Work Activities (7,800).

Employment is also forecast to grow in the Glasgow City Regions’ public services sector\(^\text{24}\). Public Administration and Defence is forecast to contract by 4,600 jobs over the forecast period due to a continuation of austerity measures. However, this will be offset by the growth mentioned in the Human Health and Social Work sector and a further 1,200 jobs in Education.

Job losses in the Glasgow City Region are also forecast in some sectors, notably in the production sectors. Manufacturing is the sector forecast to have the greatest number of job losses from 2019 to 2029. During the forecast period a decline of 8,800 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).

\(\text{Figure 13} \quad \text{Forecast employment change by Industry (2019 - 2029), Glasgow City Region}\)

\(^{24}\) Comprising Public administration and defence, Education, and Human health and social work.

Source: Oxford Economics
The growth and contraction of employment by sector means that private services are expected to account for a larger share of jobs in the Glasgow City Region over the forecast period. The percentage is forecast to rise from 55 per cent in 2019 to 56 per cent in 2029. In 2019 the Construction sector accounted for seven per cent of employment and this share is expected to increase by one percentage point by 2029. Primary industries are forecast to account for two per cent of employment in 2029, the same percentage share as 2019. The share that the public services and Manufacturing sectors each account for is expected to decline by one percentage point over the forecast period to 29 per cent and five per cent respectively.

Looking ahead, the outlook for the key sectors generally echoes the broad sector trends summarised above – with Construction expected to have the greatest growth (9,200 jobs). Financial and Business Services is forecast to have growth second only to Construction, increasing by 9,000 jobs from 2019 to 2029 in the Glasgow City Region.

A number of other key sectors will experience growth over the forecast period, including:
- Health and Social Care, 7,800 jobs;
- Child-Day Care Activities, 4,700 jobs;
- Tourism, 3,600 jobs;
- Creative Industries, 1,500 jobs; and
- Digital, 800 jobs.

Food and Drink is the key sector forecast to have the greatest employment decline in the Glasgow City Region, with 1,400 fewer jobs in 2029 compared to 2019 expected (see Figure 14).

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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, Business and Public Service Associate Professionals are forecast to experience the greatest increase in employment in the Glasgow City Region from 2019 to 2029 (of 4,800 workers). Growth in these occupations is closely related to the forecast rise in employment in the Financial and Business Services sector. An additional 4,500 workers are expected to be required in Clerical and Service Elementary Occupations, driven by growth across a number of sectors. Other occupations anticipated to have an increase that is relatively large for the region are:

- Caring Personal Service Occupations, 4,100 workers
- Business and Public Service Professionals, 4,000 workers;
- Corporate Managers, 3,600 workers; and
- Skilled Construction and Building Trades 3,200 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 (-1,100 people) and Protective Service Occupations (-1,000 people) (see Figure 15).

### Figure 15
Forecast employment change by occupation (2019 - 2029), Glasgow City Region

Source: Oxford Economics
Total Labour Market Requirement in Glasgow City Region
Total Labour Market Requirement in Glasgow City Region

In the previous sections we presented what has happened, is happening and what is forecast to happen in the Glasgow City Region 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 the Glasgow City Region, 384,600 job openings are forecast from 2019 to 2029. In the region, and as shown in the previous chapter, 40,600 jobs are forecast to be created in the Glasgow City Region from 2019 to 2029 due to expansion in the labour market. A further 344,100 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 the Glasgow City Region forecast to account for over a half (52 per cent) of the requirement. These are (see Figure 16):

- Wholesale and Retail Trade, 76,800 jobs;
- Administrative and Support Service Activities, 74,400 jobs; and
- Human Health and Social Work, 48,300 jobs.

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26 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.

27 Figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.
Figure 16
Forecast net requirement by Industry (2019 - 2029), Glasgow City Region

Source: Oxford Economics
To fill these jobs, and others, there is a forecast requirement for 348,300 people in the region from 2019 to 2029\(^2\)\(^8\). 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 the Glasgow City Region is expected to increase by 36,800 over the forecast period. There will also be a replacement requirement of 311,500 people.

By occupation, the greatest number of people are forecast to be required in (see Figure 17):
• Clerical and Service Elementary Occupations, 50,600 people;
• Sales Occupations, 35,500 people;
• Teaching and Research Professions, 30,700 people;
• Administrative Occupations, 23,100; and
• Caring Personal Service Occupations, 22,500 people.

\(^2\)\(^8\) Figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.
Supply of People in Glasgow City Region
Supply of People in Glasgow City Region

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 the Glasgow City Region was 1,817,900, 34 per cent of Scotland’s population.

By age, the largest group in the Glasgow City Region were people of working age (16-64 years). There were 1,198,700 people in this age group, 66 per cent of the City Region’s population. This was a greater percentage share than those of working age across Scotland (65 per cent).

The number of people of working age compared to those of non-working age has implications for the City Deal 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 the Glasgow Region was 52 per cent. This means that for every 100 people of working age, there were 52 people of non-working age. Across Scotland it was 55 per cent.

Of those who were in age groups thought to be dependent, the youngest age group was the largest. There were 312,700 people aged zero to 15 who accounted for 17 per cent of the City Region’s population (in line with the Scottish average). Those aged 65 and over accounted for the remaining 17 per cent, there were 306,400 individuals in this age group, which was lower but close to the percentage share across Scotland (18 per cent). This suggests the City Region has a slightly younger population compared to the Scottish average (see Figure 18).

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 the Glasgow City Region, there were 54,000 people who were born in the EU and a further 92,000 from the rest of the world in 2018. The EU born population accounted for three per cent of the region’s population, and five per cent of the region’s population were born elsewhere in the world.

Figure 18
Population by age (2016), Glasgow City Region and Scotland

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Glasgow City Region</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>16-64</td>
<td>66%</td>
<td>65%</td>
</tr>
<tr>
<td>65+</td>
<td>17%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: National Records of Scotland
The percentage of the region’s population born in the EU was lower, but a greater percentage were born in the rest of the world than Scotland. Where both were four per cent.

From 2016 to 2041, the population of the Glasgow City Region is projected to increase by approximately 76,200 people. Equating to four per cent increase, slower but close to the national projected growth rate of five per cent over the same period.

The age structure of the City Region’s population is projected to change over the coming decades, with the percentage of the population who are of working age expected to decrease from 66 per cent in 2016 to 61 per cent in 2041; a projected decrease of 57,800 people.

The largest increases are expected in the 65 or older age groups, with a 73 per cent increase projected for those aged 75+ (an additional 100,800 people) and 22 per cent among those aged 65-74 (an additional 36,800 people). There is a forecast decline in all other age groups over the period, with the most substantial decline of ten per cent projected for those aged 16-29, a projected fall of 33,300 people.

These shifts suggest that the region could have a larger and generally older population by 2041. This has implications for the dependency ratio. Brexit may also affect the population structure and exacerbate any challenges. By 2041, the City Region’s dependency ratio is expected to increase to 66 per cent (see Figure 19). Ranging across the region from 51 per cent in Glasgow City (the second lowest of all local authorities) to 83 per cent in East Dunbartonshire and Inverclyde. Renfrewshire and North Lanarkshire are both forecast to have a dependency ratio of 72 per cent. Whereas West Dunbartonshire, South Lanarkshire and East Renfrewshire are expected to be higher (75 per cent, 76 per cent and 79 per cent respectively). Across Scotland the dependency ratio is expected to rise to 70 per cent.

### Figure 19
Dependency ratio (2016 and 2041)

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2041</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glasgow City Region</td>
<td>52%</td>
<td>66%</td>
</tr>
<tr>
<td>Edinburgh and South East Scotland City Region</td>
<td>53%</td>
<td>66%</td>
</tr>
<tr>
<td>Scotland</td>
<td>55%</td>
<td>70%</td>
</tr>
<tr>
<td>Stirling and Clackmannashire City Region</td>
<td>56%</td>
<td>74%</td>
</tr>
<tr>
<td>Inverness and Highland City-Region</td>
<td>62%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: National Records of Scotland
Skills Shortages, Gaps and Challenges in Glasgow City Region
Skills Shortages, Gaps and Challenges in Glasgow City Region

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.

Data is available for Regional Outcome Agreement (ROA) regions in the ESS. For the purpose of this City Deal RSA report, data is presented for the following ROA regions: Glasgow Region, West and Lanarkshire.

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).

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In 2017, the greatest percentage of employers reporting at least one SSV in the Glasgow City Region were in the West Region (nine per cent compared to six per cent for Scotland). The percentage of employers reporting SSVs in the Glasgow Region and Lanarkshire was also greater than Scotland (eight per cent and seven per cent respectively). This suggests a challenge that affects more employers in the City Region’s labour market compared to Scotland’s. The incidence of SSVs across all regions was lower in 2015 compared to 2017 (West Region and Glasgow Region seven per cent and Lanarkshire five per cent), whereas across Scotland the incidence of SSVs has remained the same (six per cent) from 2015 to 2017 (see Figure 20).

Figure 20
Incidence of Skills Shortage Vacancies (2015 and 2017), ROA Regions that overlap Glasgow City Region

Source: Employer Skills Survey
Density, which indicates how many vacancies were SSVs, within the Glasgow City Deal Region, was highest in the West Region (similar to incidence). This increased from 2015 to 2017 (29 per cent compared to 31 per cent) and was higher than Scotland in both years. This suggests that employers in the region are facing difficulties across a number of roles, with greater challenges than employers across Scotland. This was also the case for the Glasgow region, however the density of SSVs in Lanarkshire was lower than Scotland in 2017 and 2015 (14 per cent and 17 per cent respectively) (see Figure 21).

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 the Glasgow City Region, 49 per cent of employers within Lanarkshire tried to recruit non-UK nationals to overcome hard to fill vacancies, compared to 41 per cent across Scotland. This was the highest of all regions associated with the Glasgow City Region (Glasgow Region 30 per cent and West Region 27 per cent). Of these employers and compared to employers across Scotland, a smaller percentage in the Glasgow Region sought to recruit EU nationals as a response to recruitment challenges (88 per cent, compared to 89 per cent). Equivalent data for the Lanarkshire and the West Region is not available. Changes to migration policy as a result of Brexit will affect all regions in Scotland, and the high percentage of employers who sought to recruit EU nationals suggests that any changes that affect supply could have adverse effects.

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

Figure 21
Density of Skills Shortage Vacancies (2015 and 2017), ROA Regions that overlap Glasgow City Region
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 greatest percentage of employers who reported a skills gap in the Glasgow City Region were in the West Region (19 per cent compared to 16 per cent for Scotland). The percentage of employers reporting skills gaps in the Glasgow Region and Lanarkshire was also greater than Scotland (both 18 per cent in 2017). Since 2015, the incidence of skills gaps across the City Region and Scotland has increased, with a greater increase observed across the City Region (see Figure 22).

Figure 22
Incidence of Skills Gaps (2015 and 2017), ROA Regions that overlap Glasgow City Region

Source: Employer Skills Survey
Overall, the density of skills gaps was highest in the West Region (similar to incidence). This increased from 2015 to 2017 (3.3 per cent compared to 6.7 per cent). Glasgow Region also increased from 2015 to 2017 (3.6 per cent to 5.7 per cent) however Lanarkshire decreased from 3.9 per cent to 3.4 per cent (Scotland was 4.9 per cent in 2015 and 5.0 per cent in 2017). Whilst the West Region and Glasgow Region were above the national average, Lanarkshire was below in 2017 (see Figure 23).

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.

In the Glasgow City Region, 19 per cent of employers within the Glasgow Region sought to recruit non-UK nationals as a response to skills gaps, compared to 15 per cent across Scotland. This was the highest of all regions within the Glasgow City Region (18 per cent in Lanarkshire and 14 per cent in the West Region). Of these employers and compared to employers across Scotland, a larger percentage in the Glasgow Region sought to recruit EU nationals as a response to recruitment challenges (97 per cent, compared to 93 per cent). Equivalent data for the Lanarkshire and the West Region 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\(^\text{30}\). There are implications for individuals too, having their skills under-utilised can impact on their income, health and wellbeing\(^\text{31}\).

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).

Within the Glasgow City Region, the number of employers reporting skills under-utilisation in their workforce was highest in the West Region in 2017, 41 per cent. This was higher than Scotland, 35 per cent. This suggests that more than two fifths of employers in the region had skills and talent going unused. The Glasgow region was also higher than Scotland (38 per cent), however Lanarkshire was lower (32 per cent).

The percentage of employers reporting under-utilisation has risen in the City Region and across Scotland. Skills under-utilisation has increased from 36 per cent in Glasgow Region, 35 per cent in the West Region and 30 per cent in Lanarkshire in 2015 (Scotland increased from 32 per cent) (see Figure 24).

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Within the Glasgow City Region, the proportion of staff under-utilised was greatest in Glasgow Region in 2017 (9.5 per cent in 2015 and 9.4 per cent in 2017). In Lanarkshire the proportion increased from 5.3 per cent in 2015 to 9.0 per cent in 2017 (West Region decreased from 10.0 per cent to 7.1 per cent). 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 not subsiding (see Figure 25).

**Figure 25**

*Density of Skills Under-Utilisation (2015 and 2017), ROA Regions that overlap Glasgow City Region*

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, the highest of all regions within Glasgow City Region (as of 2017). Lanarkshire and the West Region (72 per cent) were higher than the Scottish average (69 per cent), however the Glasgow Region was lower (68 per cent).

Development areas varied across the regions however, operational skills were the most commonly mentioned across all (61 per cent in the Glasgow Region, 55 per cent in Lanarkshire and 50 per cent in the West Region). The need to upskill operational skills was higher in the Glasgow Region compared to Scotland (57 per cent), but lower in Lanarkshire and the West Region.

Fewer employers in the Glasgow Region and West Region expected a need to upskill the digital skills of their employees (46 per cent and 34 per cent respectively) compared to Scotland (49 per cent).

However, compared to Scotland, a higher percentage in Lanarkshire anticipated a need to increase the digital skills of their workforce (54 per cent compared to 49 per cent). The need to boost the complex analytical skills of employees was identified by 44 per cent of employers in Lanarkshire, the same percentage as Scotland.

A greater need for these skills was present in West Region (47 per cent) and Glasgow Regions (50 per cent) (see Figure 26).

<table>
<thead>
<tr>
<th></th>
<th>Scotland</th>
<th>Glasgow Region</th>
<th>Lanarkshire</th>
<th>West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex analytical skills</td>
<td>44%</td>
<td>50%</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>Operational skills</td>
<td></td>
<td>57%</td>
<td>61%</td>
<td>55%</td>
</tr>
<tr>
<td>Digital skills</td>
<td></td>
<td>49%</td>
<td>69%</td>
<td>68%</td>
</tr>
<tr>
<td>% who anticipate need to upskill</td>
<td>34%</td>
<td>72%</td>
<td>69%</td>
<td>79%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Conclusion
**Conclusion**

In 2019 the Glasgow City Region made a GVA contribution to the Scottish economy of £41.9bn, 30 per cent of Scotland’s output (£138.8bn). Looking ahead, the economy is forecast to grow by 1.8 per cent on average each year up to 2029. This would be faster growth than what is forecast across Scotland, and it would be greater than the average annual growth rate that the Glasgow City Region 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 the Glasgow City Region (measured by jobs) was estimated to be 931,800 in 2019, 34 per cent of Scottish employment. Employment in the region increased from 2009 to 2019, and the forecast suggests that growth will continue in the future from 2019 to 2029. The four sectors forecast to have the greatest jobs growth are:
- Administration and Support Services, 16,300 jobs;
- Professional, Scientific and Technical Activities, 9,200 jobs;
- Construction, 8,100 jobs; and
- Human Health and Social Work, 7,800 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 £45,000 in the Glasgow City Region compared to £50,400 across Scotland.

The employment growth forecast will create 40,600 new jobs in the region and the need to replace workers leaving the labour market will create further 344,100 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 348,300 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, 50,600 people;
- Sales Occupations, 35,500 people;
- Teaching and Research Professions, 30,700 people;
- Administrative Occupations, 23,100 people; and
- Caring Personal Service Occupations, 22,500 people.

Whilst there will be demand for people to fill jobs, the population projection suggests that the Glasgow City Region 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 decline in the 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 66 per cent by 2041, up from 52 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, eight per cent of the region’s 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 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 Department for Work and Pensions (DWP).

This group has developed, and will monitor progress on, the Glasgow City Region Skills Investment Plan.

An independent Commission for Economic Growth, chaired by the principal of the University of Glasgow, provides economic advice to the City Region. The Glasgow Economic Leadership Board, co-chaired by the principal of Strathclyde University, and the leader of Glasgow City Council who is also chair of the Glasgow City Region Cabinet, provides advice from business leaders across all key sectors.

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.

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.

Glasgow City Region has seen year on year improvements in economic indicators such as GVA and productivity growth, but significant challenges remain. There is a continuing high level of economic inactivity due to disability and ill-health and the employment rate for young people is below average compared to Scotland.

Skills Alignment should help to address these challenges and see the skills system become even more responsive to industry needs, with changes to curriculum that meet the needs of a growing economy.

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