

# Skills Assessments

## West Lothian

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# Structure of the presentation

- Jobs and Skills in Scotland – What's happening in the Scottish labour market?
- Looking to the future – what do the forecasts say; and potential disruptors
- Overview of RSA Data in West Lothian
- Key Messages

# Regional disparities

Based on an assessment of employment growth, productivity, earnings and unemployment:

Weak performance and recovery	Moderate performance and recovery	Strong performance and recovery
Borders Dumfries and Galloway Ayrshire Tayside Highlands and Islands	West Lothian Lanarkshire West Region Forth Valley	Glasgow, Aberdeen City and Shire Edinburgh and Lothians Fife

# Low Pay/In Work Poverty

- Low pay particular challenge for some groups – women, younger people, older workers, those with no qualifications, some ethnic groups, lone parents, people with disabilities
- In 2013/14, 430,000 people living in relative poverty were living in a household with at least one person working (58% of those in poverty)

## Number of People in Poverty in Scotland living in Working Households

Year	All People in In-Work Poverty (After Housing Costs)
2008/09	450,000
2009/10	440,000
2010/11	430,000
2011/12	380,000
2012/13	510,000
2013/14	430,000

Source: Scottish Government, from DWP

# The rise of non standard work

## The Rise of Non-Standard Work

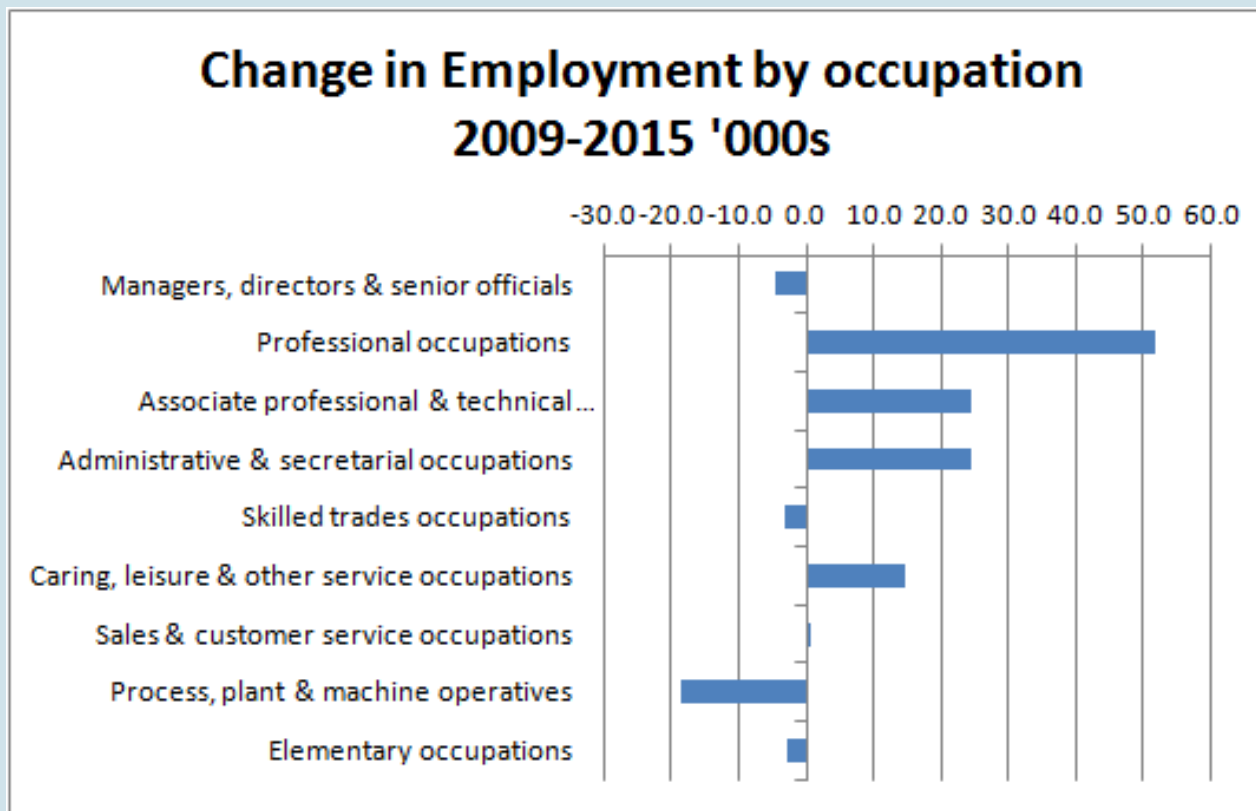
*Employment change in Scotland and the UK, 2008 – 2015*

	Scotland			UK		
Sector	2008 (,000)	2015 (,000)	Change	2008 (,000)	2015 (,000)	Change %
Full time employment	1,858	1,867	+0.5%	21,206	22,133	+4.3%
Part time employment	647	696	+7.5%	7,098	7,589	+6.5%
Self employment	265	301	+13.6%	3,804	4,568	+20%
Temporary employment	126 (2011)	139	+10.3%	1,139 (2011)	1,618	+42%

Source: Labour Force Survey

# Hour glass labour market?

## Occupational Shifts



Source: 2011 Census, Labour Force Survey, Oxford Economics

# Industrie 4.0 - Skills for the future



- **Resilience**
- **Entrepreneurialism**
- **Problem solving**
- **Social skills**
- **Creativity**
- **Manipulating technology**
- **Managing complexity**

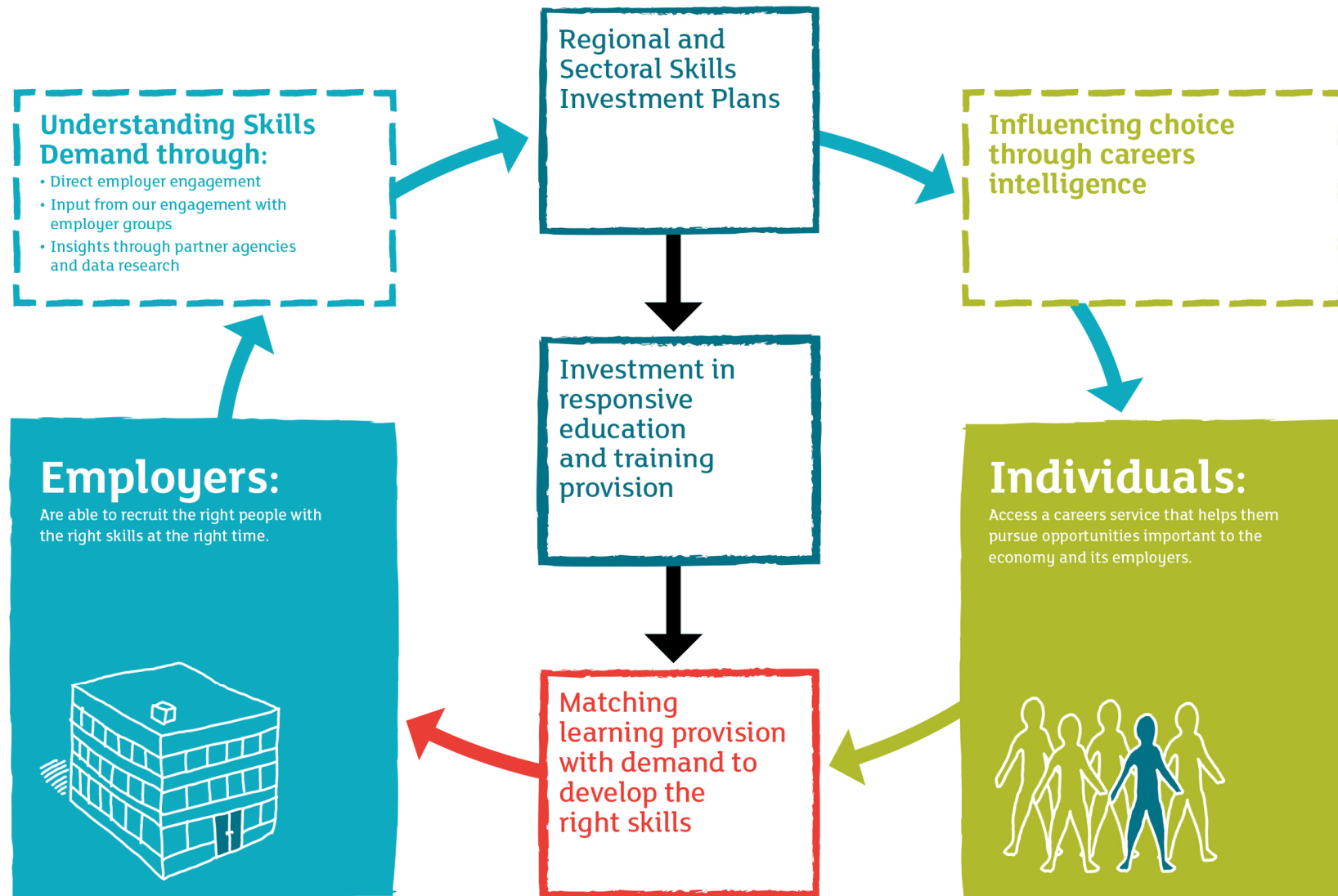
# Jobs and Skills in Scotland – Key Issues

- Rise in non-standard work (50,000 part time jobs; 35,000 self-employed; 13,000 temporary – only 9,000 full time)
- Increasing levels of under-employment and under-utilisation
- Raising productivity within existing workforce (and employment)
- Hour glass labour market is a limiter on progression, and move towards higher skilled occupations
- 37% increase in vacancies (2013-15) but skills shortage vacancies continue to rise (6% - 2015)
- Technological change will remove, create / alter current jobs (e.g. FinTech; off-site construction etc)
- Labour market inequality





# Scottish Skills Planning Model



# Regional Skills Assessments (2018)

Regional Skills Assessments provide a **coherent evidence base on which to base future investment in skills**, built up from existing datasets

Covering the **demand for skills**

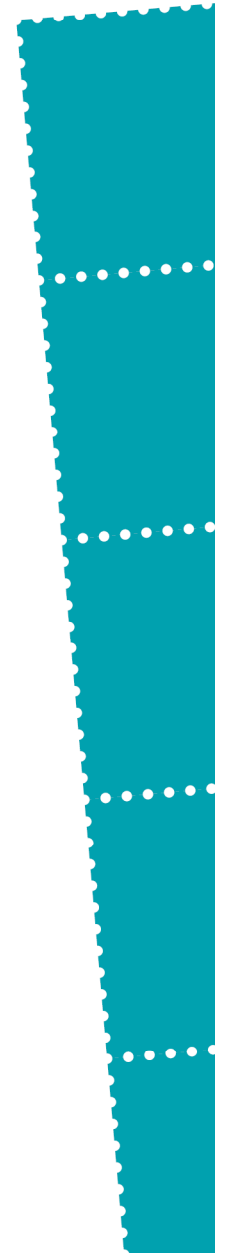
....and including employment and GVA forecasts and trends to help identify **future skills needs**

Purposes:

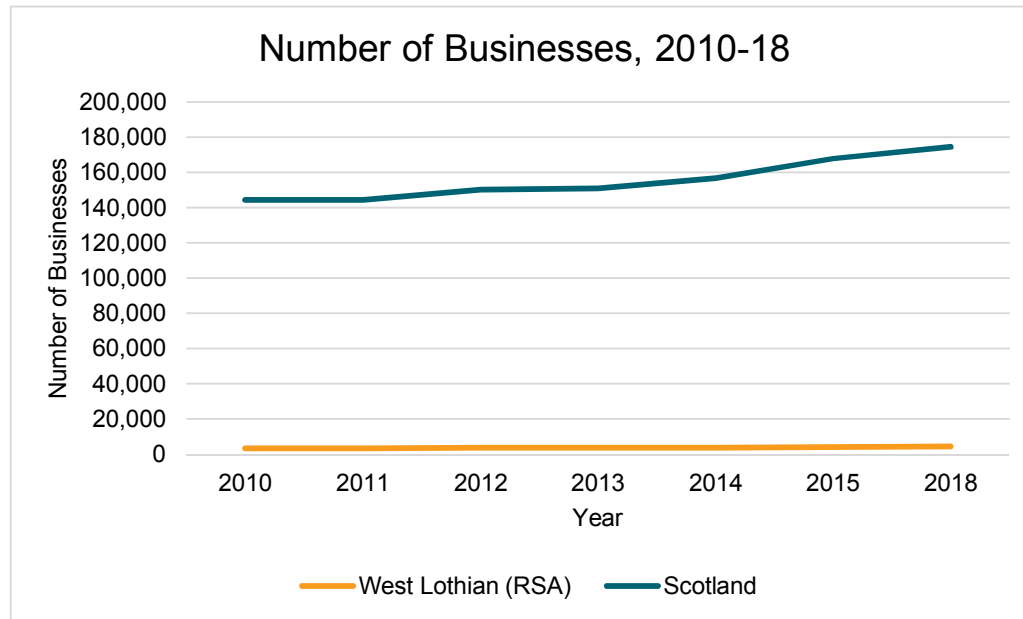
- ✓ To support SFC, Regional Colleges, Strategic Bodies and College Boards in negotiating Regional Outcome Agreements (ROAs) for Academic Years 2018-2021.
- ✓ To provide a framework for aligning SDS investment in individuals and businesses.
- ✓ To assist partners in planning their strategic investment in skills.
- ✓ To support wider public and private investment propositions.

# Economic Performance (1)

- GVA continued to rise by 2.28% in the region between 2010 and 2016 (2.8% of the national total), largely due to Wholesale and retail trade: repair of motor vehicles (17%); Manufacturing (14%); Real Estate activities (10%). This is set to slow over the next 10 years (1.8% against Scottish average of 1.7%)
- Productivity levels (at £46,391 GVA per worker) remain below the Scottish average (£47,755). The average growth rate from 2011-16 was -0.3%, which is below the Scottish average of 1.7%
- Average overall median workplace earnings in West Lothian (£453) are in line with the Scottish average (£453), but resident based earnings (£531) are below the Scottish average (£563)

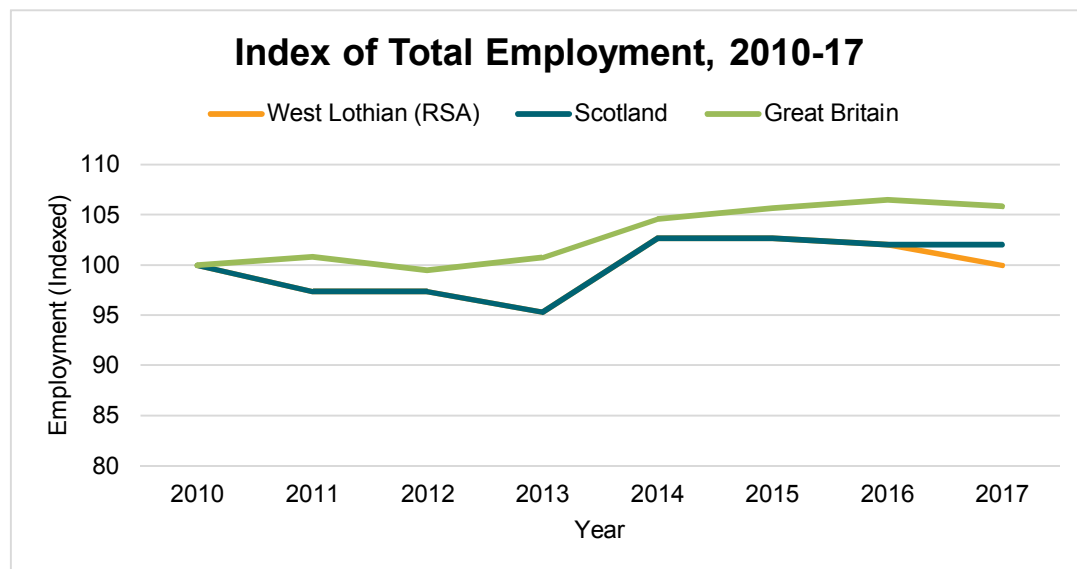


# Economic Performance (2)



- The business base continues to increase from 2012 to 2018
- BERD per head dropped 19% (2015 to 2016)
- 720 business births (2016) = 40 per 10,000, below the Scotland rate (40). 570 deaths (32 per 10,000 vs 30 per 10,000 Scotland)
- 20 businesses employ 250+ with 88% less than 10 employees

# Profile of the Workforce (1)

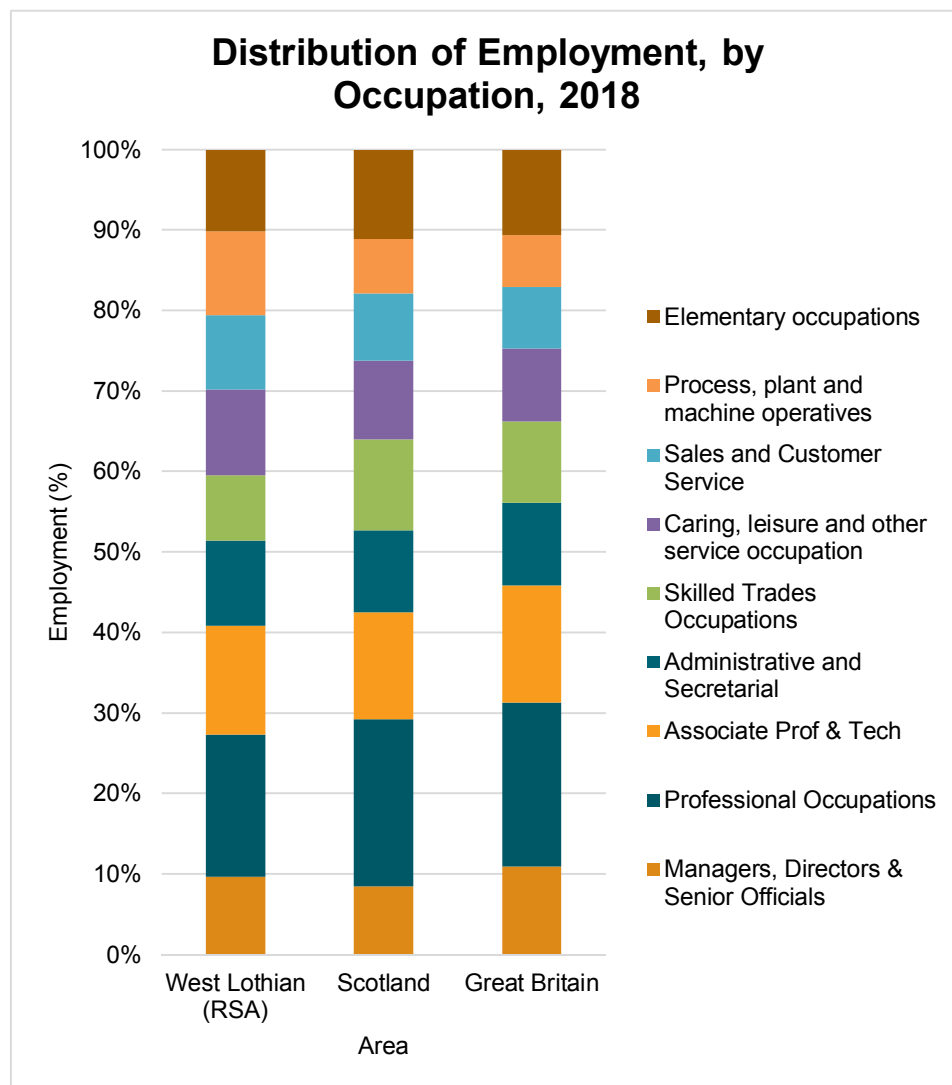


- Employment fell 2% between 2010-17, behind Scotland (2%) and UK average (7%)
- Employment levels fell 0.65% since 2015

Top employing sectors are Health (8,500, 11%); Retail (8,500, 11%); Manufacturing (7,500, 10%) & Business Admin and Support (7,500, 10%).

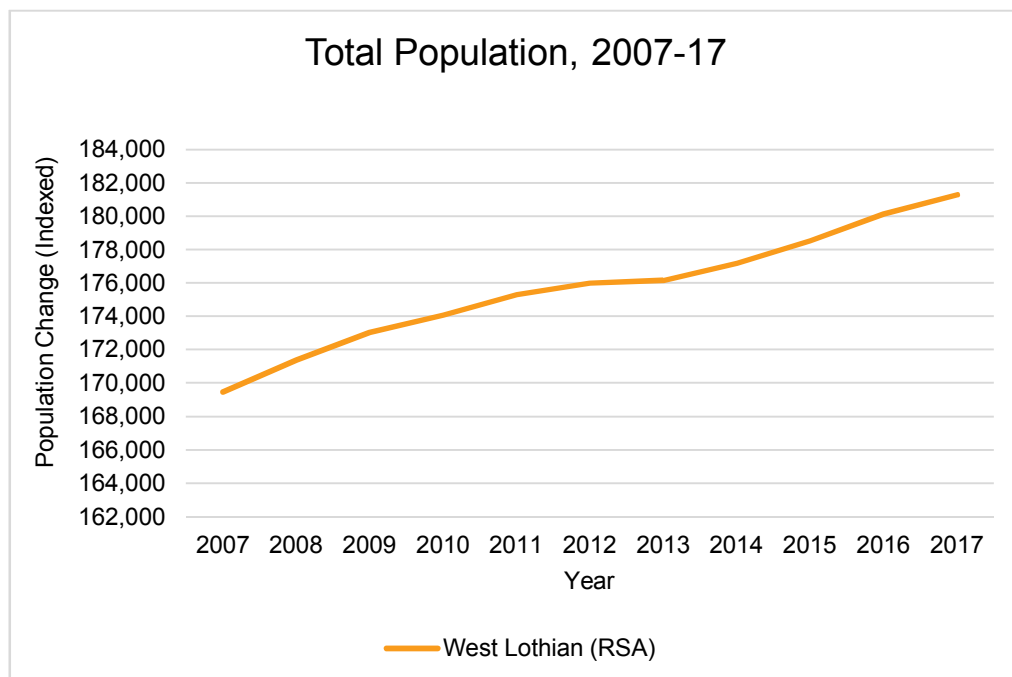
- Employment concentrations in information & communication; wholesale and manufacturing.
- Agriculture, forestry and fishing (18%), and mining, quarrying and utilities (24%) employment continues to be under-represented

# Profile of the Workforce (2)



- Highest % employment in professional occupations (18%); associate professional and technical roles (14%); caring, leisure and other service occupations (12%)
- A lower share are employed in skilled trades occupations (8%)
- The greatest decline has been in skilled trades occupations (-3.5 pp)

# People and Skills Supply (1)



- The population continued to grow, 7% from 2007-17, ahead of the Scotland (5%) and just behind UK rate (8%)
- The largest increases were in those aged 65+ (37%) but there has been a decline in those aged 35-44 (-18%)
- 120% > 75+ (2016-41)  
max 4% growth in all ages under 65
- The employment rate (76%) is above the Scotland average (75%)
- 76% of jobs are full time (74% Scotland)

# People and Skills Supply (2)

- ILO unemployment in West Lothian has declined between 2014 and 2018, from 6,400 to 3,300.
- The unemployment rate for 16-24 year olds has decreased from 14% in 2015 to 13% in 2017. However there was a 4 percentage point increase from 2016-17. The Scottish figure has dropped from 14% to 9%.
- Employment growth is set to marginally outpace the Scottish average over the next decade (0.4% per year vs 0.3% Scotland). This equates to 3,700 jobs in West Lothian (88,200 by 2028)
- Larger increase in the number of jobs than Scotland as a whole (to 2028), but job losses in manufacturing (1,400 to 2028)
- Construction will be 1/3 of all employment growth (extra 1,200 jobs)
- 92% of 16-19 year olds are participating in education (70%), employment (21%) or other training and development (1%)



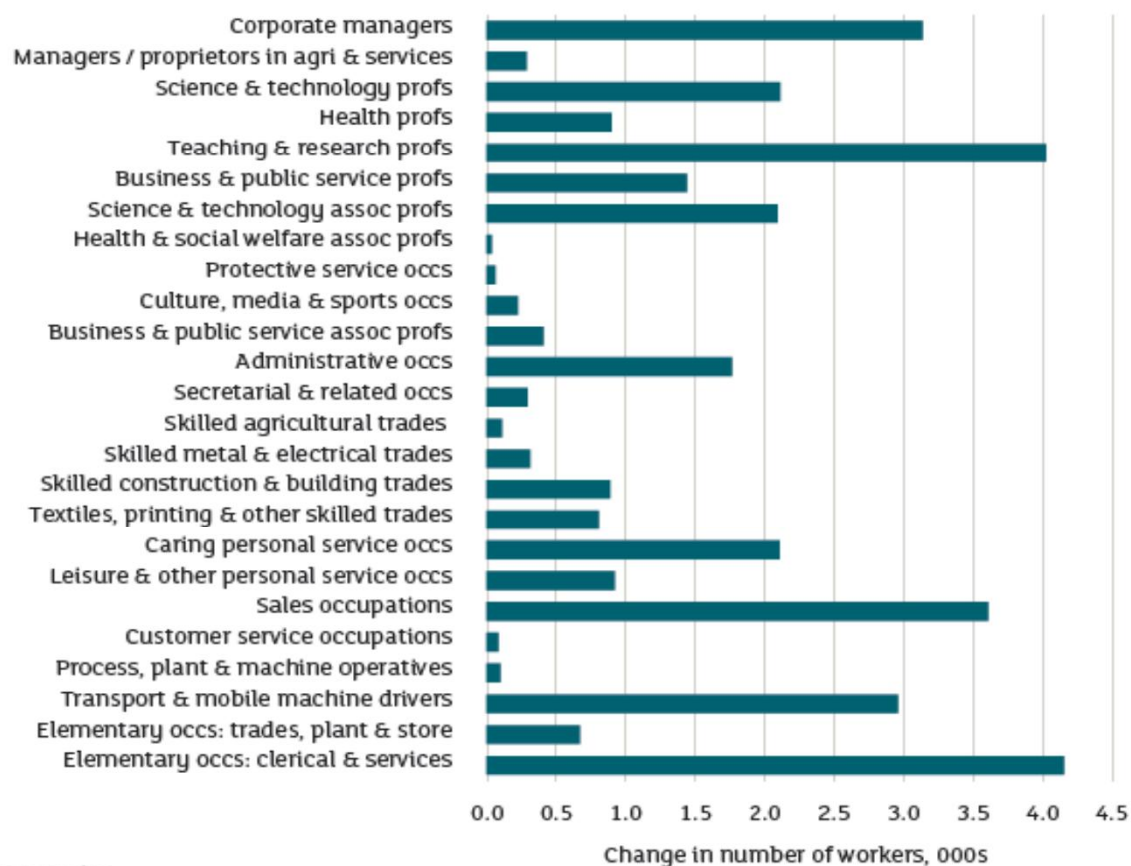
# Deprivation

- Average household earnings in West Lothian are above the Scottish average, with 63% of households in the region earning up to £20,000, compared to 54% in Scotland
- There are 8,600 workless households in West Lothian and this has decreased from 11,239 in 2015
- The proportion of school pupils entitled to free school meals is 39%; higher than the 37% in Scotland



# Total occupational requirement 2018-28

**Figure 4.1:**  
**Total requirement, 2018 – 2028**



Source: ONS / Oxford Economics

**Table 4.1:**  
**Expansion, replacement demand, and total requirement, by occupation, 2018 – 2028**

Occupation	Expansion Demand	Replacement Demand	Total Requirement
Corporate Managers	0.7	2.5	3.1
Managers / Proprietors in agriculture and services	0.2	0.1	0.3
Science and Technology Professionals	0.1	2.0	2.1
Health Professionals	0.2	0.7	0.9
Teaching and Research Professionals	0.1	3.9	4.0
Business and Public Service Professionals	0.3	1.2	1.4
Science and Technology Associate Professionals	0.0	2.1	2.1
Health and Social Welfare Associate Professionals	0.0	0.0	0.0
Protective Service Occupations	-0.1	0.1	0.1
Culture, Media and Sports Occupations	0.1	0.2	0.2
Business and Public Service Associate Professionals	0.3	0.1	0.4
Administrative Occupations	0.0	1.7	1.8
Secretarial and Related Occupations	0.0	0.3	0.3
Skilled Agricultural Trades	0.0	0.1	0.1
Skilled Metal and Electrical Trades	-0.1	0.4	0.3
Skilled Construction and Building Trades	0.4	0.5	0.9
Textiles, Printing and Other Skilled Trades	0.0	0.8	0.8
Caring Personal Service Occupations	0.4	1.7	2.1
Leisure and Other Personal Service Occupations	0.2	0.8	0.9
Sales Occupations	0.3	3.3	3.6
Customer Service Occupations	0.1	0.0	0.1
Process, Plant and Machine Operatives	-0.2	0.3	0.1
Transport and Mobile Machine Drivers and Operatives	0.2	2.8	3.0
Elementary Occupations: Trades, Plant and Storage related	0.0	0.7	0.7
Elementary Occupations: Clerical and Services related	0.5	3.7	4.2
<b>Total</b>	<b>3.6</b>	<b>29.9</b>	<b>33.5</b>

Source: ONS / Oxford Economics N.B. Some totals may not sum due to rounding.

# Key Messages

- £3.8bn GVA is 3% of Scotland's national output
- Regional GVA growth 1.8% between 2018-28
- Employment is forecast to increase from 84,500 in 2018 by 3,700 jobs (2028). The largest employing sectors (measured by jobs) are wholesale and retail; health and social work and manufacturing.
- Construction will see 1,200 new jobs over the next decade, and wholesale and retail will bring an additional 1,100 jobs but there will be 1,400 job losses in the manufacturing sector due to new technologies and automation.
- There will be 33,500 job openings between 2018-28. 12.4% of openings (4,200) will be in elementary clerical and service occupations
- Ageing population but not as pronounced as other areas



# Further Information

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<https://www.skillsdevelopmentscotland.co.uk/what-we-do/partnerships/regional-skills-assessments/>

