Regional Skills Investment Plans

Purpose

- With increasing interest in the performance of regional economies, Skills Development Scotland is working with local and regional partners to develop Regional Skills Investment Plans. The RSIPs recognise and support the economic geographies of emerging partnerships and aim to ensure that investment in skills is better aligned with regional economic need and complements proposed capital programmes.

- Regional Skills Investment Plans complement the existing suite of Regional Skills Assessments, Skills Investment Plans and Jobs and Skills in Scotland and are intended to support regional skills planning, provision and investment in Scotland.

Recommendations

Joint Skills Committee is invited to:

- Consider the report and discuss the approach in relation to the work of SDS and SFC. Some discussion areas might be:
  i. Are the levers strong enough?
  ii. Are alignment processes strong enough?

- Provide feedback to the executive on the content and focus of the approach to inform future iterations; and

- Offer advice to the Boards on priority themes for further exploration or focus in joint working.
Regional Skills Investment Plans

Purpose

1. With increasing interest in the performance of regional economies, Skills Development Scotland is working with local and regional partners to develop Regional Skills Investment Plans. The RSIPs recognise and support the economic geographies of emerging partnerships and aim to ensure that investment in skills is better aligned with regional economic need and complements proposed capital programmes.

2. The RSIPs complement the existing suite of Regional Skills Assessments, sector Skills Investment Plans and Jobs and Skills in Scotland report. They are intended to support skills planning, provision and investment at a city-region level.

Strategic plan implications

3. The evidence base generated through Regional Skills Assessments (RSAs) and sector and regional Skills Investment Plans is a central driver of SDS’ service delivery and investment; and that of the Scottish Funding Council and regional colleges. This ambition was articulated in the skills planning model, at the centre of SDS’ corporate plan, and is referenced in SFC’s ambitions that colleges and universities effectively plan provision in response to industry, economic and individual demand. The approach to develop a national overview report supports SDS’ ambitions to ensure a national strategic approach is taken to sectoral and regional delivery.

Introduction and Background

4. Work on Regional Skills Investment Plans has been underway since 2014, when a Regional Skills Investment Plan for the Highlands and Islands was published to complement the suite of Regional Skills Assessments for lowland Scotland.

5. A regional skills planning approach has also been taken in supporting activity in North East Scotland since 2015.

6. The advent of City Region City Deals and Regional Growth Deals has seen renewed
interest and impetus in Regional Skills Investment Plans. The Scottish Government sees City Region Deals as offering “the potential for new collaborative regional partnerships, focused on long-term strategic approaches to improving regional economies.” The Glasgow City Region Deal was agreed in August 2014; heads of terms of the Inverness City Deal were signed in March 2016; and the Aberdeen City Region Deal was signed in November 2016.

7. City Region City Deals are in development for Edinburgh and South East Scotland; Tay Cities (covering Dundee, Perth and Kinross, Angus and North East Fife); and Stirling and Clackmannanshire. A Regional Growth Deal is also in development for Ayrshire.

Case Study: Glasgow City Region Skills Investment Plan

8. The Glasgow City Region, City Deal brought together Glasgow City and its neighbouring seven authorities (East Dunbartonshire, East Renfrewshire, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire) in a landmark deal securing £1 billion in grant funding from the Scottish and UK Governments and also unlocked an additional £130 million in local authority borrowing to invest over a 20 year period. The Deal allows investment in a suite of 20 capital projects, three innovation projects and three employability projects.

9. The Glasgow City Region Deal identified three employability projects in the original proposals – Working Matters, supporting people in receipt of Employment Support Allowance; Youth Gateway, aligning and integrating support for young people aged 16-24; and a pilot programme on in-work progression within the care sector.

10. The local authorities have agreed a devolved management and leadership approach, with key policy leads agreed across the eight areas. The Skills portfolio is held by South Lanarkshire Council with Cllr Eddie McAvoy as political lead.

11. Although the initial people investments focused narrowly on employability, the Assurance Framework required the formal establishment of a Skills and Employment group to oversee the progress of the initiatives. Skills Development Scotland has been welcomed at this Group and an invitation has subsequently been extended to a representative from the regional colleges.

12. The group has agreed its remit to advise on skills and employability policy issues across the city-region, as well to oversee the investment in employability programmes, and has provided the governance group for the development of the Regional Skills Investment Plan.

13. A brief was agreed by the group who co-funded consultancy support to develop the plan during 2016. The University of Glasgow’s Training and Employment Research Unit was appointed.

14. The approach adopted was to build upon the existing evidence base, to supplement this with detailed stakeholder consultation, and to work with the group to build the plan, to ensure ownership across partners.
15. The mission for the plan is “to create the most effective skills system, compared to other city regions across the UK and Europe, through evidence-based investment and innovation”

16. The five strategic outcomes sought are:

- City Region working is the norm for skills investment, planning and provision
- Many more employers are able to access individuals with the skills they need
- Many more residents in work that matches their aspirations and skills
- Many more jobs and better quality jobs created and sustained due to more effective skills supply
- Earnings inequality and neighbourhood deprivation reduced through better access to skills and qualifications

17. The six areas for action over the next three years are:

- Ensuring there are sufficient locally skilled construction, civil engineering and other specialist skills to deliver City Deal projects
- Developing clear, well-articulated and well-used pathways into and through key sectors and occupations
- Providing high quality services to tackle the barriers to employment faced by those furthest from the labour market
• Maximising partner use of all tools at their disposal to generate employment and training opportunities

• Supporting businesses to move up the value chain, improve productivity and competitiveness, and capitalise upon opportunities for internationalisation

• Building capacity and evidence to underpin a City Region wide approach to skills investment, planning and provision that aligns with City Region needs and opportunities

18. The draft plan has been circulated in the latter half of 2016 and has formal endorsement from Skills Development Scotland, and from the City Deal assurance process – including all eight chief executives, and all eight political leaders (the Glasgow City Region Cabinet)

19. The draft plan is already informing skills planning – for example, with increasing awareness and use made by colleges in preparing their Regional Outcome Agreements. A published version is scheduled for this quarter.

20. Work continues on populating the detail of the Action Plan by the Skills and Employment Group with increasing participation and ownership by colleges.

21. The importance of the Regional Skills Investment Plan is reflected in the new Glasgow City Region Economic Strategy which commits to implementing the plan in full and at pace.

Issues for consideration

22. The alignment of Regional Skills Investment Plans with City Deals and Regional Growth Deals has been very useful in advancing the profile of skills in an infrastructure-led approach to economic development. However City and Regional Growth deals do not currently offer comprehensive coverage of Scotland, nor do the boundaries of the Deals align with College Regional Outcome areas. For example, in the South of Scotland, Scottish Borders is part of the Edinburgh and South East Scotland City Deal proposals but Dumfries and Galloway is not part of any current proposal; North East Fife features in both South East Scotland and Tay Cities proposals; and Stirling and Clackmannanshire’s proposals exclude Falkirk.

23. The City Deal and Regional Growth Deal proposals have largely originated within local authorities and there is differing degrees of willingness to admit national agencies to the planning and development process.

24. Where there is willingness to engage then the development of the Regional Skills Investment Plans has been a useful mechanism in aligning strategic priorities, and helped partners recognise the complementary skills, experience and resources that local and national partners can bring.

25. The Regional Skills Investment Plans have proved useful in providing additional direction to the colleges’ regional outcome agreement planning and in the case of
Glasgow have helped drive joint curriculum planning. They have also helped local authorities consider their capacity to deliver services collectively, such as positioning for Scotland’s employability service from April 2018. They have also been the catalyst for bringing regional employer-led Developing Young Workforce groups together to discuss alignment of provision.

26. An agreed evidence base is at the heart of a valuable Regional Skills Investment Plan. Labour market intelligence that can provide insight at sensible economic geographies, recognising cross-authority travel to work and study patterns is essential for joint planning.

27. Industry participation in the development of the plans has been largely through regional or sectoral bodies or intermediaries, but more direct engagement is necessary in populating and delivering upon action plans.

Recommendations

1. Joint Skills Committee is invited to:
   a. Consider the report and discuss the findings in relation to the work of SDS and SFC. Some discussion areas might be:
      i. Are the levers strong enough?
      ii. Are alignment processes strong enough?
   b. Provide feedback to the executive on the content and focus of the report to inform future iterations; and
   c. Offer advice to the Boards on priority themes for further exploration or focus in joint working.

Publication

2. This paper will be published once agreed by the Joint Skills Committee

Further information

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