

Highlands and Islands Talent Attraction, Retention and Return Strategy and Action Plan

Overview

The overarching objective of the Highlands and Islands Talent Attraction and Retention Strategy (revised Action Plan June 2017 appended) is to:

- increase the number of working age people living and working in the region;
- reverse the forecast decline in population while rebalancing from aging to young/working age residents by achieving year on year positive net migration;
- ensure that business located in (or locating into) the Highlands and Islands are able to access an appropriate scale and scope of skilled future talent;
- develop a co-ordinated approach across the Highlands and Islands to talent attraction and retention

Nature of opportunity and / or scale of challenge

The Highlands and Islands region is faced with a number of challenges such as:

- a tight labour market with limited pool of resources – H&I typically has a low level of unemployment however there are high levels of underemployment across the rural, remote rural and islands communities;
- a deficit of skilled people of working age – in particular 15-39 year olds; and
- an out-migration (although maybe temporary) of young people to pursue higher education

The region spans seven local authorities and covers areas that are very different in nature i.e. sectoral make up, island and mainland locations. As such, there are a number of local authority area approaches to talent attraction and retention developed to provide a local response to individual skills issues.

There is a shared and clear focus from across the entire region around a number of aspects, including:

- young people;
- employability and skills development;
- business growth and key sector development;
- the recent and potential future impact of having a new university fully based in the H&I, particularly with the dispersed nature of provision
- image and perception; and
- the wider regional offering

From the Regionals Skills Assessments and supporting labour market forecasts an estimated additional 4,500-7,500 jobs could be created in the region. These figures may underestimate the likely demand as it does not take into account replacement demand i.e. people leaving the market or changing careers.

Recent data details net migration figures to be heavily dominated by an out-migration of 1,100 people aged 25-34 years old, furthered by c.50 aged 35-54 (2013/14).

Ageing demographics coupled with the falling net migration has resulted in restricted working age population. At the same time, the number of businesses has increased.

Number of Business and Growth Rates

	Highlands and Islands		Scotland	Great Britain
Year	Number	% change	% change	% change
2010	19,765			
2011	19,685	-0.40	0.06	-0.93
2012	20,240	2.82	4.01	3.42
2013	20,235	-0.02	0.43	0.92
2014	20,585	1.73	3.75	7.75
2015	21,750	5.66	7.34	5.24

The supply side is also competing for talent. The school roll is estimated to decrease by 7% by 2018 (roughly 1,900 pupils).

As the majority of students attending HEIs within H&I reside in the area: competition between universities, colleges and MA providers to attract individuals will increase. There is therefore a rationale for HE and FE to better promote their unique courses to attract more individuals from out with the H&I to study.

The combination of the above results in the needs to:

- attract new talent into the area;
- re-attract those that left that are likely to return; and
- increase promotion of current and future employment, education and training opportunities for young people that would like to remain however are unsure of their options

As such, it is clear that the issue of talent attraction and retention is a clear and present challenge for the Highlands and Islands.

It is important to recognise that the Action Plan focuses on delivering some regionally consistent activity supported by a range of local actions, some of which are already in place. Therefore the Action Plan is additional to local activity.

Importance to Highlands and Islands

Talent attraction and retention is a national issue and the competition for skills and labour is now global both inwards and outwards. It is important therefore that the Highlands and Islands are capable of presenting itself as a competitive region of Scotland in addition to having strong localised propositions.

Talent attraction and retention is not just a skills issue. Instead it is about the “whole package” and a number of “hygiene factors” need to be in place for individuals to stay or locate in an area.

For example, having good quality jobs with good career prospects may be a pull factor, a lack of appropriate and affordable housing will act as a push factor. These wider factors include:

- a range of employment opportunities;
- opportunities for career progression;
- appropriate employment opportunities for spouse/partner;
- a range of housing and tenure options;
- good quality education facilities for children (particularly primary and secondary education);
- access to higher and further education across the region in both a rural and urban environment and the use of blended learning
- access to mobile and broadband of sufficient speed and coverage;
- access to good transport facilities such as road, rail, sea, and air; and
- social and leisure amenities

Jobs, housing and education are seen as the most important factors although all elements should be in place for maximum success.

National and International context

A competitive region with a strong labour market and skills base is essential not only to the region itself but to the bigger Scottish picture, demonstrating a spread of sustainable and high quality opportunities across the entire country.

A region with a good education offer supported by career opportunities across all skills levels and sectors is in line with Scotland’s Economic Strategy and the supporting strategies of Scotland’s Labour Market, Developing Scotland’s Young Workforce in addition to individual growth sectors and key subject area strategies that share the ambition to raise productivity and inclusivity across the board.

Levers to influence change

The region has achieved much over the decades to arrest and transform the Highlands and Islands from an area of economic deprivation to an increasingly competitive, globally connected part of Scotland and the UK. However there is still much to do to maintain and develop our economic position and the focus on talent should never stop.

The region must always keep an eye on the wider context in which it operates and also competes, and evolve its response to working age population to include a macro as well as a micro suite of activities and incentives.

As a region that depends heavily on migrant labour, the yet unknown effects of Brexit and changes to VISA legislation, particularly Tier 2, will undoubtedly make the attraction and retention of talent even more challenging.

Key stakeholders

A multi partner approach at a local, regional and national level is essential to the success or failure of the region's ability to attract and retain talent and skills. Continued involvement and communication will be crucial to ensure the momentum and interest.

The strategy document recommends that implementation of the Action Plan follows a model comprised of two levels of engagement; strategic guidance from at a regional level and then individual work streams for delivery.

The key partners that will drive this forward are those organisations represented on the HISIP Programme Board. As that group is a 'skills' group, whether or not the correct parts/remits of those organisations that can come with authority to act on decisions around the regional talent plan, possibility requires further probing/discussion.

The transfer of responsibility and accountability particularly around the consistent development and delivery of the local focused actions from the regional plan does need to be discussed further and an agreement reached as to which LA with lead on which strand and report back to the overseeing steering group/board.

Regional activities and the continued evolution of the regional strategic approach is straight forward in terms of establishing a lead partner as this would sit under the responsibility of the regional and national development agencies. Depending on whether the strategy and plan (which has origination from within the HISIP) extends to include or dovetail with the other development areas working in parallel – a new forum specifically looking at talent in its entirety may need to be created.

Actions and options

The Strategy and Action Plan has been created and further sense checked (June 2017) across the HISP partners. The immediate action required is to land on a structure for taking the actions forward with responsibility and therefore accountability to be agreed. The action plan will undoubtedly have a resource implication in terms of building and delivering the various activities. At this juncture however, this would be limited to partners' staff time. As the plan progresses out of the planning stage – a better understanding of the combined resource implication will become evident. By and large, most of what is needed is either already being done or in planning however is not yet working collaboratively across the region.

The attached action plan addresses the different work strands spread across the four key themes of regional information, marketing, attraction and retention of talent. Broadly – these themes and actions have been devised to take account of the following;

- establishing governance framework to oversee delivery;
- detailed place mapping for each local authority e.g. housing, infrastructure, connectivity etc. linked with the local authority RSAs;

- develop a regional and sub-regional offer which can be used as a promotional tool;
- develop a single regional marketing campaign;
- better promotion of employment and career progression opportunities;
- better promotion of MA opportunities and MA expansion plan;
- better promotion of UHI USPs and other HEIs in the region
- sector specific opportunity;

We would also highlight four further actions for consideration:

- Further analysis of the latest SDS employment forecast data to review supply and demand co-efficients to establish the potential scale of the challenge in more detail.
- The creation of a measurement framework tied to numerical targets which align with key data from the Regional and Sub Regional Skills Assessments (which are published annually).
- Comparison of regional outmigration with other Scottish regions. This will be drawn from such evidence bases as Scottish Government School Leaver data, SDS Participation Measurement reporting and HMRC Employment Data
- Research and contingency planning around the implications of Brexit.

Ask of COHI

CoHI is therefore asked;

1. to endorse the Regional Strategy and Action Plan
2. to endorse the recommendation for the ownership and governance of the Talent Attraction Strategy and Action Plan to remain with the HISIP Programme Board with partners represented by officers that have the authority to lead on talent attraction activities at a local and regional level.
3. discuss the option of providing a Talent Attraction Champion from each representative organisation / partner with appropriate authority to speak, decide and act of its behalf in relation to the local and regional actions and the continued evolution of the regional talent partnership