

Agenda Item	9.
Report No	COG 13/18

TALENT ATTRACTION

HIGHLAND COMMUNITY PLANNING PARTNERSHIP CHIEF OFFICERS GROUP

4th September 2018
Discussion Paper

INTRODUCTION

This paper seeks to inform the Chief Officer's Group of the context, labour market demand and workstrands currently taking place across the Highlands and Islands Region in relation to the talent attraction, retention and return agenda from a partnership perspective.

The content of this document is the consolidation of reports and proposals presented by HIE and delivered through the CoHI Senior Officers Group and the Regional Skills Investment Plan Programme Board member organisations to preserve consistency of approach and key messages that have been agreed at senior level across all partner organisations.

The paper also discusses both agency and local CCP's role in leading this agenda and the tactics to be deployed to ensure a successful and targeted partnership approach.

THE REGIONAL POSITION

In line with the Highlands and Islands Regional Skills Investment Plan (HISIP), HIE led on the creation of a Regional Talent Attraction Strategy and Action Plan which was approved by the HISIP Board in November 2016.

This document continues to be used as the main regional plan across the Regional Skills Investment Plan partner organisations and we are beginning to see an increase in movement and momentum across most Local Authority and Community Planning Partnerships.

Strategy Overview

The overarching objective of the Highlands and Islands Talent Attraction and Retention Strategy (supporting Action Plan revised June 2017) 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 businesses 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

A key purpose of this strategy and action plan is to provide a strategic regional context and a focus around which all stakeholders can co-ordinate, further develop and deliver actions to support a regional proposition at a local level.

The Talent Attraction Strategy and Action Plan aims to;

- **attract new** talent into the area
- **re-attract** those that left that are likely to return
- **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

Four strategic themes/work streams have been agreed by the partners;

- Regional Information
- Regional Marketing and Promotion
- Attraction
- Retention.

Scale of the 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 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.

All local authority areas share a number of aspects, including:

- importance of 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

Labour Market Demand to 2027

The following tables show the net labour and skills requirement (replacement and growth demand) for the Highlands and Islands between now and 2027.

Demand by Sector

GROWTH SECTORS	
Tourism	13,300
Health and Social Care	9,200
Construction	8,800
Food and Drink	8,700
Energy	2,000
Finance and Business Services	1,900
Creative Industries	1,400
Engineering	800
ICT and Digital	300
Life Sciences	200
Chemical Sciences	100
Total Growth Sectors	49,700
ALL SECTORS	80,800

Other sectors not shown in the table above that provide the balancing figure to £80,800 include; Wholesale and Retail, Education, Transport, Agriculture Forestry and Fishing and Other Service Activities.

Demand by Occupation (top five)

Skilled Trades	12,500
Administration and Support Services	6,400
Associate Professionals and Technical	4,500

Professional	16,300
Managers, Directors and Senior Officials	4,300
Total	44,000

Demand by Qualification

SCQF Level	Education Level	Apprenticeship Level	Demand	Job Level
11 to 12	Doctoral, Masters, Post Grad Cert and Dip	Professional and Graduate Apprenticeship, SVQ	3,500	High
7 to 10	Adv Higher, HNC, HND, Ord Degree, Hon Degree	Professional, Graduate and Higher Technical Apprenticeship, SVQ	36,200	High
6	Higher	Modern and Foundation Apprenticeship, SVQ	11,700	Middle
5	National 5	Modern Apprenticeship, SVQ	20,100	Low
1 to 4	National 1 to 4	SVQ	3,100	Low
No Qualifications			6,200	Low
Total			80,800	

Demand by Local Authority

Argyll and Bute	10,100
Eilean Siar	2,400
Highland	43,000
Moray	18,300
Orkney	3,100
Shetland	3,900
TOTAL	80,800

Within the next 10 years, the 2017 Regional Skills Assessment (published in December 2017) predicts a shortfall of over 80,000 people within the Highlands and Islands Labour Market.

The Demand by Qualification table, best demonstrates the market for Graduate level qualifiers showing that 49% of our region's future labour requirement is expected to be filled from the top two categories of skills and education levels.

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 and 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.

Access to talent is one of the key drivers identified by inward investors seeking to establish a presence in a region.

The following table show the Highlands and Islands region in context to the rest of Scotland, demonstrating the competition on a national scale for a strong talent pipeline. Just as our region is looking to attract and retain skilled working age population; other regions in Scotland are also

looking to attract our people away to satisfy their needs. Individual local authority areas must collaboratively support a strong regional proposition.

Scotland Expansion Demand, Replacement Demand = Total Demand 2017 – 2027

Local Authority Area	2016	16 to 64	Working Age /	Actual	2017-27	Demand /	Demand /
	Population	Working Age Population	Current Population %	Employment 2015	Demand (Net)	Current Population %	Current Employment %
Glasgow Region	816,420	551,913	68	453,100	241,300	29.56	53.26
Edinburgh, East and Midlothian	699,870	473,910	68	381,800	204,200	29.18	53.48
Aberdeen City and Shire	492,030	326,369	66	288,000	109,100	22.17	37.88
Lanarkshire	764,030	487,768	64	274,800	107,700	14.10	39.19
Highlands and Islands	489,920	300,732	61	221,400	80,800	16.49	36.50
West Region	438,760	278,151	63	166,600	73,900	16.84	44.36
Ayrshire	370,560	228,012	62	127,300	61,400	16.57	48.23
Fife	370,330	232,300	63	135,100	60,700	16.39	44.93
Forth Valley	304,480	195,139	64	123,700	47,700	15.67	38.56
Tayside	415,470	261,292	63	173,000	42,000	10.11	24.28
South of Scotland	264,050	157,284	60	100,900	39,300	14.88	38.95
West Lothian	180,130	116,181	64	77,500	37,300	20.71	48.13
Scottish Borders	114,530	68,285	60	41,900	18,700	16.33	44.63
Dumfries and Galloway	149,520	88,999	60	59,100	11,700	7.83	19.80
					1,135,800		

DELIVERING THE SOLUTION

Actions

Each partner agency/authority/organisation has a shared responsibility to drive the talent attraction and retention agenda forward with cognisance of the micro and macro position and proposition.

It should be noted that most of the building blocks towards addressing the region's talent needs already exist or are in planning, however areas of commonality of need and response at a local level still need to be pulled together and this is where HIE is providing that facilitation role in addition to our own direct efforts.

Highlands and Islands Enterprise

The development strands that spread across the four key themes of the strategy (information, marketing, attraction and retention) will work towards 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;
- developing a regional and sub-regional offer which can be used as a promotional tool;
- developing 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 opportunities;

HIE's core activity and priorities are aligned fully with the ambitions of the TA Strategy i.e. everything that we do - be it growing businesses or key sectors through increasing productivity, supporting communities to thrive, inspiring young people to take up STEM, building speculative

properties for new business growth - underpins and creates the conditions for attracting talent. Specifically, HIE has signed up to a number of regional marketing, information and positioning activities identified in the action plan which will support both the local and national approaches that our region must operate within.

HIE also carries out a key influencing role working closely with Scottish Government Immigration and Free Movement of People Unit; assisting Local Authorities understand and interpret the regional strategy and continuing to influence the development of the skills and labour market evidence bases and skills plans at a sectoral and geographic level with regional and national strategic partners.

HIE will continue to lead/coordinate for CoHI on Talent Attraction at a regional level which will also involve a consistent local input/influence. HIE will also continue to develop a clear regional message for attracting talent and influencing the retention of existing working age population in line with the existing strategy and action plan.

PARTNERSHIP APPROACH

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 a regional level and then individual work streams for delivery.

In June 2018, a new high level working group made up of senior officers from CoHI member organisations was created, chaired and facilitated by HIE. The aims of this group are:

1. To discuss the alignment of individual regional and local plans in the context of an overarching Regional Strategy and Action Plan
2. To continually evolve and refine the regions strategic and operational approach to talent
3. To understand what the current evidence base is telling us about the demographic challenges
4. To identify top priorities for taking forward as a group
5. To align with the CoHI other groups of skills, housing, digital, transportation, marine economy and energy which all contribute to the ongoing development and delivery of the local and regional approach to talent.

Prioritisation and collaboration

The key partners that will drive this forward are those organisations represented on CoHI along with a number of other significant regional employers. The high level working group (at which the Highland Council area is represented) agreed the following areas of priorities to be addressed:

- The regional strategy and action plan will need to be updated in due course to take account of Brexit, Area Deals, updated evidence bases and delivery against the local strategies and action plans already underway.
- All partner organisations (channelled through HIE) will be expected to influence the evolution of the regional pages on the Talent Scotland platform and it is suggested their local areas adopt the 'Live Work Invest' model to allow for consistency with Talent Scotland and Visit Scotland.

- We should expect to show collaboration across agencies, authorities and other partners in line with the Scottish Government's new Strategic Board.
- TA requires that all elements of Talent Attraction are developed in parallel – housing, infrastructure, etc.
- Prioritisation – different geographies and sectors are experiencing different levels of difficulty or challenge and a 'one size fits all' will only apply to certain types of actions. Different applications of the solution will be needed and expected where appropriate.
- **NHS** and Local Authorities are competing for the same people – a shared talent attraction page link could be an option for recruiting to the public sector. NHS are looking to develop enhanced networking with regional partners to present a regional corporate image to address talent management.
- **Visit Scotland** are following Live Work Invest model for communication and routes to market. Key messages need to be joined up to connect with target markets. Develop the regional awareness cycle and create urgency through messaging. Link talent efforts – people, /sector/opportunities - to key events in the Visit Scotland calendar
- **Education** – Getting the narrative right is important for education provision and the learner journey and we believe there is a requirement for increased Scottish Funding Council funded places in our region. Infrastructure between LAs and UHI could be shared to allow for support provision across locations. Student accommodation is based on an urban model for viability – this needs to be ruralised.
- **Housing** – A regional definition for key workers is required. More Homes needs to stay regional and we need to influence policy on the back of a robust evidence base. The region requires significant innovation linked to a wider regional proposition – can't just move the board pieces.

Priority Workstrands

Regional Messaging, Information and Marketing

- Continue to develop the region's proposition for Talent Scotland. This should be included/uploaded to HIE and COHI Partners' web sites to show a consistent regional message
- Review all the local and regional messaging to formulate a plan for alignment
- Review range of other local/regional marketing sites and test for comparability/opportunity to create ONE message
- Create clever, specific campaigns for targeted talent attraction base on need and type
- Establish a model for incorporating local solutions – how to build in to regional message or be separate but complimentary
- Make the journey for people to come easier through information – either additional, single point of access for the region and/or enhance the information contained on Talent Scotland. All partners must ensure that the local talent attraction information and proposition

Housing

- Innovate the supply chain.
- Different types and funding models for local areas (islands, rural, urban) and different markets (students, domestic, key worker, etc.).
- Work with CSIC for innovation solutions
- Build from Argyll and Islands Pilot data – public private funding model to implement new and remedial works
- Draw out the housing story

- Are there innovation solutions to construction, especially on the islands and hard to reach areas.
- Consider fiscal incentives to developers
- NCRA reprioritise investment priorities

Education and Skills

- Undertake the revision and updating of the 2014 HISIP lead by SDS
- Short, Medium and Long-term plan, goals, key activities to undertake to develop the regions response for education and what we need from partners
- Plot the region's skills pipeline need versus provision, create the regional map and include local intel to influence college development
- Map and identify any gaps in provision in line with the evidence base across the learner journey
- Influence the development of Graduate Apprenticeship provision in the region
- Create a strong joined up regional education proposition from across all UHI partners
- Prioritise a proportionate number of funded student places towards the Early Years and Childcare courses in line with the demand evidence base.

Evidence

- Empty homes evidence/analysis across all LAs
- Assess the job market place across the whole region
- Assess the region's full sectoral opportunities linked to career development/potential
- Public Sector LMI being developed at the moment – feed this in as part of the baseline evidence base
- Childcare – who's not in the labour market, accessibility for remote and rural, where are the barriers, start from existing evidence and build from it.
- Childcare – increased provision = £x of economic impact to the region

Policy Influencing

- Establish appetite for fundamental change at Minister level
- Student, Working and Spousal Visa policy regionalised
- Migration, citizen testing made easier and inclusive
- Housing
- A cross part conference/forum for talent attraction in the highlands and Islands should be considered to lead to MSP collaboration and sponsorship of the key themes identified above

IN SUMMARY

The regional strategy has gone far to demonstrate the importance and increased impact of linking local, regional and national talent attraction efforts and partner organisations are without exception bought in to this approach.

A clear understanding of the key messages in the promotion of opportunities linked to the need for a sustainable future labour market is essential and each partner needs to define, align and resource their own efforts into delivering and evolving the talent attraction plan.

The CPP's are asked therefore to remain cognisant of the role they play in addressing and delivering a local response in line with the wider regional efforts, ambition and direction which will

allow us focus on areas of joint activity that will successfully deliver the skilled workforce required to grow our economy.