



Moray Skills Investment Plan

Final Report for Skills Development Scotland
November 2017

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CONTENTS

1. FOREWORD.....	1
1.1 INTRODUCTION.....	1
1.2 BACKGROUND AND OBJECTIVES	1
1.3 STUDY METHOD.....	2
1.4 REPORT STRUCTURE	2
2. POLICY AND PARTNERSHIP LANDSCAPE	3
2.1 INTRODUCTION.....	3
2.2 POLICY OVERVIEW	3
2.3 MORAY DELIVERY STRUCTURES AND PARTNERSHIPS.....	4
2.4 CONCLUSIONS	5
3. ECONOMIC AND SKILLS ASSESSMENT	7
3.1 INTRODUCTION.....	7
3.2 HEADLINE ECONOMIC ASSESSMENT.....	7
3.3 STRATEGIC ECONOMIC POINTERS.....	9
3.4 STRATEGIC SKILLS ISSUES AND CHALLENGES	10
4. STAKEHOLDERS AND PARTNERS.....	12
4.1 INTRODUCTION.....	12
4.2 KEY ISSUES	12
4.3 CONCLUSIONS	21
5. PRIMARY RESEARCH	22
5.1 INTRODUCTION.....	22
5.2 YOUNG PEOPLE SUMMARY POINTERS.....	22
5.3 PARENTS AND GUARDIANS SUMMARY POINTERS	23
5.4 EMPLOYERS SUMMARY POINTERS.....	23
5.5 CONCLUSIONS	24
6. A MORAY SKILLS INVESTMENT PLAN.....	25
6.1 INTRODUCTION.....	25
6.2 BROAD PRINCIPLES AND OBJECTIVES	25
6.3 MORAY SKILLS ACTION PLAN.....	26
6.4 DELIVERING THE ACTION PLAN	34
6.5 DEVELOPING A DETAILED SKILLS ACTION PLAN.....	35

1. Foreword

1.1 Introduction

This report presents the findings of a research study to develop a Skills Investment Plan (SIP) for Moray. The research was commissioned by Skills Development Scotland (SDS), and was overseen by a Steering Group that involved representation from SDS, Moray Council, and Moray College UHI¹.

1.2 Background and Objectives

There are already a wide range of relevant policies, strategies and action plans which have been designed to address the economic and skills challenges and opportunities in Moray. It is therefore important to recognise that in developing the Moray SIP, we are not starting with a “clean slate” and we must set it within the wider national, regional and local context.

Within this complex environment, the key challenge for the Moray SIP is to provide a strategic consensus and overview with common shared priorities and clear deliverable actions within an agreed delivery framework.

The research has been commissioned to refresh its existing Skills Action Plan and to prepare a Moray SIP that:

- meets the current and future skills needs of local employers, and delivers a positive pathway for every young person in Moray; and
- identifies actions to address potential threats and capitalise on opportunities that enable Moray to realise sustained economic growth, while ensuring that young people have a range of opportunities that encourage them to live, learn, and work in Moray.

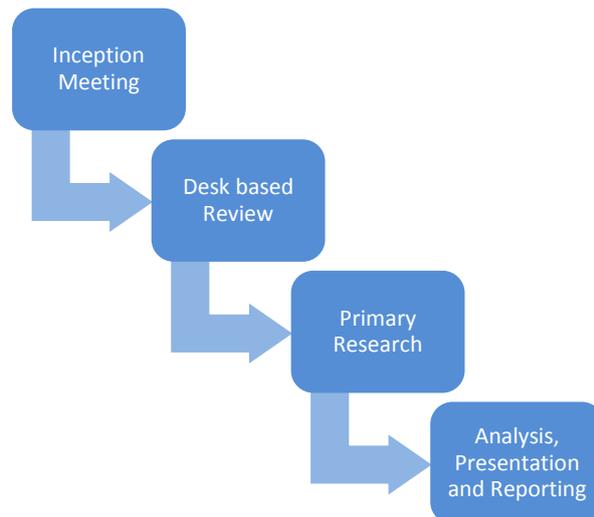
The overall aim of the research was to develop an evidenced-based strategy and action plan that articulates the main skills issues for Moray, along with actions for regional and national partners to work collectively on in response to local challenges and opportunities.

¹ Moray College UHI is part of the University of the Highlands and Islands network.

1.3 Study Method

The research involved four main stages, as illustrated below.

Figure 1.1: Study Method



1.4 Report Structure

The main report presents a summary of the key messages arising from the research:

- **Chapter 2** provides a brief overview of the strategy and policy landscape for skills development, and of the various employability-related structures and partnerships that exist within Moray;
- **Chapter 3** presents the main messages from a desk-based review of information and data undertaken to build up a picture of Moray's economy, employment and skills situation, and identifies the main skills-related issues;
- **Chapter 4** sets out the outputs from the stakeholder consultations;
- **Chapter 5** presents the outputs from existing and primary research with students, parents/guardians, and local employers; and
- **Chapter 6** outlines a proposed Moray SIP and Action Plan

A separate **Evidence Report** provides more technical details referenced in the report, including all detailed write-ups of the primary research.

2. Policy and Partnership Landscape

2.1 Introduction

This Chapter provides an overview of the policy landscape for skills development at a national, regional and local level. It also provides an overview of the relevant delivery structures and partnerships in Moray.

The **Evidence Report** provides more details.

2.2 Policy Overview

Our review of relevant economic and skills strategy and policies identified a wide range of documents and data at a national, regional and local level that highlight a range of economic and skills-related issues and priorities. The main documents are outlined in **Table 2.1** below.

Table 2.1: Economic and Skills Policy and Strategy

National	Regional	Local
<ul style="list-style-type: none"> Scotland’s Economic Strategy. Scotland’s Labour Market Strategy. Developing the Young Workforce - Scotland’s Youth Employment Strategy. Sector Specific Skills Investment Plans. Scotland Employability Framework. 	<ul style="list-style-type: none"> Inverness and Highland-City Regional Deal Heads of Terms Agreement. Highlands & Islands SIP. Highland Economic Recovery and Development Plan. Highlands and Islands Talent Attraction Strategy and Action Plan. 	<ul style="list-style-type: none"> Moray Economic Strategy. Moray Employability Strategy. Moray 2026 – A Plan for the Future. Moray Local Outcome Improvement Plan (LOIP). Moray Skills Pathway. Moray Skills Action Plan. Moray Region Growth Deal - Initial Statement of Intent and Proposed Programme. DYW Moray.

Crucially, within Moray, some of these are still being developed or are at an early stage in delivery, including the Moray LOIP and the proposed Moray Region Growth Deal.

At this stage, we would highlight that while there is a comprehensive and wide reaching strategic framework to guide interventions in Moray, much of this is high level and does not always identify clear priorities and specific measurable actions.

A review of the policy and strategy architecture identifies a number of common high level **thematic priorities** which are summarised below:

- addressing demographic challenges;
- need for more high level/well paid jobs;
- clear linking of skills to local economic opportunity;
- focus on fair work and inclusion;
- addressing equalities issues;
- a prosperous future for young people;
- talent attraction, retention and return;
- engaging employers in the skills system; and
- meeting future skills needs of employers.

2.3 Moray Delivery Structures and Partnerships

There are a number of agencies and organisations that play a role in skills development and employability in Moray. This includes Moray Council, Moray College UHI, SDS, DWY Moray, Jobcentre Plus, to name a few.

Indeed, the Moray Employability Strategy (2013)² noted that:

“Employability is an area that is sometimes perceived as disparate and seemingly unconnected. This can lead to confusion for those people seeking skills and jobs and those who provide services that support and particularly those who provide jobs. It is also an area that is central to the development of economic growth and has often been seen as separate”.

² <http://www.moray.gov.uk/downloads/file88873.pdf>

The key partnership structures (relevant to this study) include:

- Moray Community Planning Partnership;
- Moray Economic Partnership;
- Employability Moray;
- Moray Skills Pathway;
- Moray Skills Investment Group;
- Moray Skills Pipeline;
- Moray DYW; and
- Moray Community and Lifelong Learning.

Within these partnership groups there are different memberships (although mostly the same organisations are represented); different reporting structures and governance; and unclear roles and responsibilities and control protocols.

2.4 Conclusions

Moray has a multifaceted array of strategies/policies and governance structures and partnerships, although we are able to identify some clear high level priorities which do appear to be shared across the various partnerships.

Our initial assessment has highlighted a number of issues which we believe should be addressed and which are detailed below:

- it is not clear exactly what has been delivered through the various (and many) strategies and action plans. We would note that some are still at an early stage but others have been in place for some time;
- need to avoid duplication - focus on any identifying any gaps or new needs or opportunities;
- need to confirm high level priorities and then move on to the specific actions;
- clarify roles and responsibilities of individuals within the partnerships;
- identify resource requirements and how these will be secured;
- need for some metrics - how to define success and measure progress;

- strong focus on the “individual” as opposed to the employers - equal focus required on the end as well as the means; and
- simplify structures and governance protocols - clear remit for each partnership group.

From a skills perspective, we would support the notion that Moray would benefit from a single strategic skills strategy which identifies the main skills challenges and priorities and the specific actions required to address the issues.

We return to this issue later in the report.

3. Economic and Skills Assessment

3.1 Introduction

It is clear that a Moray skills strategy is a means to an end rather than the end in itself and it must be focused on supporting local people, communities and businesses to best address the economic needs and opportunities within Moray.

This Chapter sets out a brief overview of the key economic issues which are impacting on Moray and seeks to identify the main skills issues and implications which flow from that assessment.

Note: It is not our intention to provide yet another detailed baseline as there are already many assessments already completed (see Evidence Report), and we use these to draw out the key pointers and seek to use the analysis to inform the development of the Moray SIP.

We do not therefore reference the following assessment to specific individual reports, but instead have completed an overview and synthesis of the data to identify the key pointers.

3.2 Headline Economic Assessment

The headline assessment provides an overview of Moray in relation to a range of economic factors as set out below.

Note, we have focused more on identifying key messages and trends rather than simply re-reporting the data contained in the referenced reports. The data can be accessed if required through the noted reports.

Key points to note from the data are as follows:

- **Population:**
 - increasing for 20+ years, and currently just under 100,000
 - forecast to fall slightly compared with projected growth in Scotland
 - working age population projected to decline significantly (-16%)
 - more young people leave than are attracted;

- **Productivity:**
 - productivity levels are generally lower
 - big decline between 2013/2014 – almost 40%
 - not clear main drivers of change - now at £36,000 per employee;
- **Employment:**
 - employment levels just under 80% are slightly higher than Scotland
 - major sectors - manufacturing, retail, hospitality and public sector
 - in total accounting for over half of all jobs
 - job losses - public sector/primary with increases in tourism/creative;
- **Future Employment:**
 - employment forecast to decrease slightly from 2016 to 2024
 - construction, professional, scientific and technical expected to grow
 - 1,000 less jobs in the region by 2024
 - replacement demand circa 17,000 - prof/skilled/sales/elementary;
- **Business Base:**
 - number of new businesses is growing, but at a rate below Scotland/UK
 - density slightly higher than Scotland
 - many micro/self-employed - also many large firms
 - under-representation in professional, scientific and technical
 - concentration in agriculture, forestry and fishing business base;
- **Key Sectors:**
 - 11,400 jobs in key growth sectors
 - main growth in food and drink and tourism sectors
 - higher representation in key sectors
 - low representation in life science, energy and creative industries
- **Earnings:**
 - earnings are lower at both resident and employee levels
 - total regional earnings decreased by 9% since 2009;

- **Skills and Qualifications:**
 - 430 SDS-supported Modern Apprenticeship (MA) leavers in 2014/15
 - around 4,000 students at Moray College UHI (FE and HE)
 - much lower proportion hold SCQF qualifications at levels 7-12;
- **Occupations:**
 - big decline in school roll – implication on the number school leavers
 - fewer in Standard Occupational Classification groups 1 to 3
 - around 30% work in higher level occupations - Scotland (42%)
 - fewer professional jobs - more skilled trades/elementary jobs.

The above provides a snapshot picture of Moray and provides a starting point for the development of the Moray SIP.

3.3 Strategic Economic Pointers

Overall, Moray faces broadly similar challenges to many rural economies which will provide a useful source of reference. From the above and the wider research completed for this study, we are able to synthesise a picture of Moray based on the previous research, known factors and current trends, as follows:

- ageing population with fewer young people in the economy and more out-migration than in-migration;
- particular reliance on a few key sectors (notably food and drink) - sometimes with low skills/low paid jobs;
- limited additional or new future job opportunities but which are likely to be for higher skilled/qualified workers;
- a range of replacement job opportunities across all sectors and employers for a wide range of job types;
- the economy has a high(ish) incidence of low skilled/low qualified/low paid jobs - output and value added is low;
- an eclectic mix of self-employment, micro businesses and large firms means that a one size fits all approach to skills would not work;

- a strong representation in some key sectors which are recognised to have a range of skills issues and challenges if they are to survive and grow;
- a public sector under stress to meet the future health and social care needs of an ageing population (and also faces recruitment issues as an employer);
- competition for resources (and people) from the city/regions of Inverness and Aberdeen; and
- while Moray has a wide post-school education infrastructure it is not clear how effective that is in retaining students in the local area or in fully meeting the needs of employers.

However, the above set of scenarios assumes a “policy-off” perspective - it seeks to identify trends on the basis of a current approach. New or future interventions will of course seek to address these issues in a positive manner that will result in progressive change for the local economy.

3.4 Strategic Skills Issues and Challenges

The analysis clearly identifies and confirms the four main skills-related challenges for Moray which can be distilled down as follows:

1. **Demographics and People:** we need more people to live in Moray with a focus on young people/young families in the economy viz - talent attraction, retention and return.
2. **Employment Opportunities:** we need both more absolute jobs as well as the kinds of jobs that will be attractive to a future workforce - higher skilled/ higher paid and with clear pathways and with local people able to fill.
3. **Skills Infrastructure:** we need an appropriate range and diversity of learning and skills development options and opportunities to meet the varied needs of individuals and employers. This would include provision of information and advice and curriculum development.
4. **Employer Engagement:** we need clear linkages between skills provision and employer needs. This would include workforce and skills planning, placement-related activity, skills pathways, workforce development, and upskilling.

We also need to be clear that a skills intervention on its own will not improve the quality or value of local jobs - skills can only ever be seen as part of the “success mix” which will require business development, investment and infrastructure inputs.

In addition, in a wider sense it must be clearly recognised how crucial other “hygiene factors” will be to future success. For example, a range and mix of housing, leisure and retail services, communications infrastructure, etc is a requirement for longer term economic attainment.

Skills must therefore be seen as a factor for future economic success and not in isolation and only from a supply side perspective.

It must have a seat at the “top table” and with clear links and support to wider economic development approaches such as a future Moray Region Growth Deal or key areas of demand.

The issues identified at this point are still very high level but it will be important for a shared understanding of future priorities in order to develop appropriate responses and actions.

4. Stakeholders and Partners

4.1 Introduction

This Chapter provides an overview of the outputs from our interviews with key stakeholders and partners from a wide range of agencies and organisations with a skills remit for Moray.

A total of 17 face-to-face and telephone consultations were undertaken with: Business Gateway; Department for Work and Pensions; Highlands and Islands Enterprise (x2); Moray Chamber of Commerce; Moray College UHI; Moray Council (x5); Skill Development Scotland, including sector team representatives (x5); and Walkers Shortbread (Chair of DYW Moray).

We have synthesised the discussions to set out the key issues that were reported by the various interviewees.

4.2 Key Issues

Rationale for the Moray SIP

From a strategic perspective there is a clear and strong rationale for the development of the Moray SIP.

While there are said to be a number of skills-related strategies at a H&I (and sector-specific) level, and that the high-level skills needs and opportunities outlined will resonate at a Moray level, the application or translation of solutions are, however, likely to differ at a local level (i.e. not a generic response).

Therefore, having a single Moray SIP that deals with all things skills-related is considered to make intuitive sense – with stakeholders emphasising the importance of the Plan having a clear focus, clear priorities, and identification of collective actions (i.e. opportunity driven).

It must not be seen as yet another strategy that simply adds to what is already in place.

Current Skills Landscape

In relation to the current skills landscape in Moray, the main points raised were that:

- work has progressed to make it as easy as possible for people and businesses to access the skills support they need (i.e. entry points) – but there is more to be done on the careers advice and guidance side;
- work has progressed over the past year or so by the Moray CPP to try and streamline structures and partnerships – this has resulted in the relatively recent establishment of, for example, Employability Moray. The general view is that this has been a useful exercise;
- where possible, to further simplify and streamline the skills landscape in Moray and what is already in place would be helpful. However, a challenge is that skills is important to many different organisations (“*don’t need any more groups*”);
- continuing effort is required to ensure that from a delivery perspective there is a more holistic approach to skills, and that it is better connected, co-ordinated and aligned across all of the key delivery agencies; and
- there is a need to view Moray and its skills challenges and opportunities as part of the bigger region.

The general view is that there appears to be lots going on in particular for young people (e.g. Moray Skills Pathway, DYW Moray).

The question for some stakeholders is around the need to also place sufficient efforts on other working age people (e.g. those who have had an extended break from the workforce and are interested in returning to work, those interested in changing careers, upskilling/reskilling the existing workforce, those who face additional barriers to finding employment, etc).

Some stakeholders pointed to RAF personnel in the area, many of whom continue to live in Moray when they stop working – there is considered to be an opportunity here to retrain ex-RAF personnel for other roles. The importance of having appropriate employment opportunities for their spouse/partner (and other family members) was also emphasised.

Skills Issues and Challenges

We tested our thinking regarding the main skills-related challenges facing Moray with stakeholders based on our review of the existing information and data (**Chapter 3** - demographics and people, employment opportunities, skills infrastructure, employer engagement).

Overall, the four skills-related issues rang true with stakeholders, and there are considered to be serious implications if these are not addressed.

Here, stakeholders pointed to the impact on business growth and inward investment (and economic growth) resulting from a declining working age population coupled with a growing ageing population. Moray would not be viewed as an attractive place for businesses to be based if access to a skilled labour pool is limited.

A rebalanced demographic in Moray's population (from ageing to young/working age residents) is therefore crucial.

Talent Attraction, Retention and Return

This is considered vital by stakeholders - Moray needs more young people and young families for the future. However, it is recognised that there is no simple or one dimensional approach, and how you will retain young people may be different to how you will attract new families into the area.

In terms of retention, there are considered to be a number of important areas to be addressed, including:

- ensuring that young people have a better understanding of all of their options (vocational and academic routes), are able to make informed career choices and are equipped with the skills and attributes needed to get a job;
- developing a better understanding of what skills and/or attributes employers are seeking;
- raising awareness of local jobs and career opportunities (i.e. not all are low paid/skilled), including efforts to make particular sectors more attractive and better articulation of career pathways;
- the need for higher level jobs, opportunities for career progression and pathways and employment opportunities;

- building the reputation of Moray College UHI and in particular its university offer - making it more attractive to study locally; and
- more engagement with parents and guardians - key influencers of their child/children's career decisions.

Cutting across all of the skills issues is considered to be a need to place greater emphasis on [changing perceptions and increased promotional/marketing](#) activities to address certain perceptions that exist (e.g. that there are no jobs in Moray, that you need to move away to access FE/HE, that there is a low skills base in Moray, etc).

It should be noted that there is a Highlands and Islands Talent Attraction, Retention and Return Strategy in place which could form the basis of any future intervention.

Engaging the Business Community

A more robust engagement between the public sector and industry is seen as key to a successful future. While the Moray Skills Pathway will make significant in-roads into engaging industry, this is largely focused on schools and young people.

Other aspects for the role of employers will include:

- providing clear information on future skills needs;
- upskilling and workforce development;
- helping design and implement the skills solutions;
- providing placement and internships; and
- engaging with the education and skills system in Moray.

In particular, opportunities should be sought to engage with micro businesses and SMEs as well as the large employers in Moray.

Skills and Training Infrastructure

The Moray skills and training infrastructure includes schools, Moray College UHI, apprenticeship provision, and private training providers.

The availability of an effective and efficient education and training offer is clearly identified as a key success factor for both the retention of young people in the area as well as supporting the development of future skills requirements.

It is not clear that there is a precise match between what employers want/need and what is delivered through the current infrastructure.

We would point out however, that often employers are unable to articulate their needs in a way that the providers are able to respond.

Skills Information

The provision of information to both individuals and employers is often seen as the easiest and most effective solution to their needs.

There was some commentary that it is currently difficult and complex to navigate your way through the various skills information interfaces and this leads to confusion.

We understand that Moray Council has a proposal to establish an integrated training and employability support Hub in Moray. This would seek to enable all the employability services within the Community Planning Partnership to provide one joined up service for clients of all ages, partners and employers.

The proposal is for a digital and face-to-face service which will integrate and align the training providers and employability support services to benefit residents in Moray who are furthest from the labour market.

All employers in Moray will be able to engage with this digital interface and central point of contact.

Non-Skills Related Issues

In delivering a skills strategy, it is important to recognise that there are many non-skills issues which will impact on its success.

Building Moray's profile as an attractive place to live, study and work is considered important within a future skills context and it is recognised that to achieve this a number of non-skills issues must also be addressed.

These wider issues 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;
- 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.

The general view was that [jobs, housing and education](#) were probably the most important factors although all should be in place for maximum success.

Regional Labour Markets

Geographically Moray is located between the cities of Aberdeen and Inverness, and this will act as both a push and pull factor for Moray. Some local labour will work outside Moray and external labour will commute into the area.

In seeking to understand how the Moray labour market works we must account for the push/pull of the cities, as employers are likely to be location-neutral when seeking to recruit future talent.

In this regard the Highlands and Islands SIP has a key role to play.

Brexit Implications

It is clear that Brexit has the potential to have major implications for Moray.

At this time it is not clear the potential detailed consequences or impact of this decision as much is subject to future negotiations. However, recent data shows the potential vulnerability of the UK in some sectors where there are high shares of migrant labour.

Data show that there are some sectors which are particularly reliant on migrant labour most of whom have particular resonance in Moray with food and drink and hospitality at 38% and 28% respectively. Other sectors with high reliance on migrant labour include: energy, construction, health and social care – all crucial for a successful Moray.

Recent announcements have also highlighted the issue for the FE/HE sector in terms of students, teaching staff and research income. We will not know how this will all evolve in the longer term and it is not clear how the Scottish Government intends to respond.

At this stage there is not much the stakeholders are able to do but it would seem appropriate to perhaps better understand the scale and nature of the issue and begin to develop some contingency plans.

Opportunities and Developments

The [Moray Region Growth Deal](#) was consistently referenced by stakeholders as a major opportunity to help drive economic growth in Moray – in particular as it will have a focus on retaining and attracting young people/families to live, study and work in the area, and addressing occupational segregation and gender imbalance issues.

A number of projects, including skills-related propositions are currently being worked up (Outline Strategic Cases) by the end of September for Heads of Terms discussion with UK Government and Scottish Government. This was said to include, for example, Moray College Campus Re-development, STEM Development, and Business School/Support.

In relation to the Moray Region Growth Deal it is considered important that this does not simply create a number of isolated projects, and that appropriate connections and alignment are made with the Inverness and Highland City-Region Deal (e.g. shared initiatives).

A number of wider current and/or planned developments were also raised – developments that will benefit the Moray economy, help attract/retain people to Moray, and/or have implications for the supply of skilled labour.

Some of these developments have longer-term implications for the demand for skilled labour, and stakeholders are of the view that the Moray SIP should have an opportunity driven focus - matching the supply of, and known (anticipated) demand for skills (e.g. construction, etc). Of critical importance is considered to be the need for both a greater understanding and articulation of future demand, and a requirement to focus on both individuals and companies.

Moray Priorities

As part of the interviews, stakeholders were asked to confirm their views on future skills priorities for Moray. A key point raised is that the Moray SIP needs to be flexible and able to identify and respond to emerging opportunities.

Many of the economic and business opportunities identified are closely related to the current/planned developments outlined earlier:

- **Volume Sectors:**
 - sectors of the economy which are both major employers and are key parts of the regional infrastructure
 - health and social/child care, construction, engineering;
- **Growth Opportunities:**
 - existing key sectors (food and drink, tourism, etc)
 - Growth Deal and related projects
 - new investments (e.g. Lossiemouth)
 - developing sectors such as renewable energy/offshore wind, decommissioning
 - key niche skills e.g. teachers or doctors; and
- **Enterprise and Entrepreneurship:**
 - support for new business start-up and micro business development. It could also include support for communities and the third sector.

At this stage the above would appear to be a clear set of future priorities and areas for intervention.

In terms of individuals, the main priorities identified are:

- children and young people - getting it right at an early age, better understanding of all of their options, are able to make informed career choices, and are equipped with the skills and attributes needed to get a job;
- other working age people – upskilling, retraining, supporting those who face barriers to employment, etc;

- gender and equality issues – addressing the gender imbalance and occupational segregation in the workforce in Moray;
- earnings - increasing the provision of well paid jobs; and
- employer engagement – ensuring an integrated and effective approach to employer engagement, and in particular with micro businesses and SMEs;

Resourcing the Moray SIP

In developing the Moray SIP due consideration needs to be given to the resources needed/available to implement and monitor actions.

While it is tempting to develop a SIP with lots of actions and deliverables, the reality is that this will require access to resources (people and budgets) which are in scarce supply.

The Action Plan must therefore be “costed” both in terms of individual responsibilities for delivery and where budgets will be sourced if appropriate. This will be considered later in the report.

Governance and Delivery

Mixed views were provided regarding where the Moray SIP should “sit” from a governance perspective, and suggestions included the Moray Economic Partnership; Employability Moray, or Skills Investment Group. Regardless of the ultimate governance arrangements for the Moray SIP, there needs to be a shared understanding of, and clarity of roles and responsibilities.

The Moray SIP requires to have appropriate and relevant Key Performance Indicators (KPIs) and associated targets to enable partners to routinely monitor, measure, and report on progress against its agreed goals and objectives.

This will help address a point raised by some stakeholders around the need to ensure that the Moray SIP is clear and action-oriented, and that there is clarity regarding what we mean by governance and accountability and transparency of responsibility.

Understanding Current Activity

It was highlighted earlier that we were unable to obtain a detailed understanding of what specific activity is already under way through the various strategies and plans and what progress has been made in delivery.

For example, while there is already in place a Highlands and Islands SIP; National Key Sector SIPs; and a local employability strategy it is not clear what these have actually delivered in Moray or which bits are appropriate.

Without this knowledge it is difficult to clearly identify where the gaps are and it is considered crucial that this is undertaken as a first and early step in the delivery of a Moray SIP - both baseline and monitoring performance.

Defining Success and Monitoring Progress

It was difficult to obtain any clear definition of what success for a Moray SIP would look like - how would we know in looking back if it was successful or not.

While there are some KPIs and targets in some of the strategies and plans this is not comprehensive nor consistent.

In order to monitor and report progress it will be important to devise a suite of KPIs against which all skills strategies/plans will report.

We believe this will be a crucial early action which partners should seek to address.

4.3 Conclusions

The stakeholders raised a wide range of issues which are addressed through the proposed strategic framework as set out in **Chapter 5**.

The above should therefore be seen as informing the key actions for the partners to pursue through the SIP.

5. Primary Research

5.1 Introduction

This Chapter highlights an analysis of a range of inputs from young people and students, parents and guardians, and from the Moray business community. It is based on both new research undertaken by EKOS and an analysis of previous research undertaken by HIE, SDS and Moray Council.

The findings should be reviewed in the context that the primary research is not based on large scale engagement, however, the findings do provide useful insights from the various target groups³. Full details, including study methods from the primary research are presented in the **Evidence Report**.

5.2 Young People Summary Pointers

Key issues to be considered within the Moray SIP include:

- young people will continue to want to leave Moray notwithstanding any future actions - the challenge is to try and at least stem some of the out-migration;
- an alternative to retention is through future return which may require an alumni type approach to students;
- the perceived lack of education opportunities and quality jobs are the main drivers of out-migration;
- provision of robust and accessible information and advice is essential;
- more needs to be done to improve education and employer links and engagement; and
- the current perception and image of the local education infrastructure could be improved.

³ Pupils and college students (31 engaged - Speyside High School, Buckie High School, Keith Grammar School and Moray College UHI), Parents and guardians (63 responses), and Employers (15 responses).

To reiterate, the most important themes for young people in Moray in making the region a more attractive place to live, work and study are: the availability of high quality jobs, opportunities for career progression, good access to FE/HE, as well as good access to housing and affordable transport links.

5.3 Parents and Guardians Summary Pointers

Many of the points outlined above by young people chimed also with our feedback from parents and guardians. Wider points of note include:

- parents/guardians are key influencers of their child's education and career decisions - provision of robust and accessible information and advice is essential to ensure that informed choices are made;
- variable levels of optimism about the types of jobs and careers in a future Moray;
- areas for improvement – careers guidance, addressing teacher shortages, and more opportunities for real-life work opportunities; and
- key to talent attraction and retention – greater variety in, and an increased number of higher quality, better paid jobs across more industry sectors.

5.4 Employers Summary Pointers

Key issues to be considered within the Moray SIP development include:

- attraction and retention of talent across most sectors is a major issue - how to make sectors/jobs more attractive to potential employees;
- improve employer/student linkages - work placements, skills pathways, volunteering, tasters, etc;
- provision of skills and employment opportunities information;
- closer alignment of curriculum/courses with employer needs;
- improve skills engagement with micro/small businesses in the region;
- further development of the different types of apprenticeship models.

It seems clear that employers believe the biggest challenge is how to both attract and retain future talent.

The key question is within a declining young (and working age) population, how do you make your company/job the most attractive.

5.5 Conclusions

In summary, the key issues as reported cover the following areas:

- availability of quality information and advice to both individuals and employers;
- continue to work at improving employer engagement with both individuals and providers in its widest sense;
- improving the post school education offering to provide an opportunity-focused and credible alternative to external study; and
- attracting back previous residents and niche skilled individuals.

The outputs from this research tends to underscore the information and outputs raised through the previous Chapters of the report.

6. A Moray Skills Investment Plan

6.1 Introduction

This Chapter sets out a draft structure for the Moray SIP. It provides a high level suite of objectives and protocols, some specific actions which will address the key employment and skills issues identified through the research, and considers delivery-related issues.

6.2 Broad Principles and Objectives

In developing the action plan there are a number of protocols which are believed will be important in setting the context and tone for the plan. The broad principles of the skills strategy are to:

- de-cluttering the landscape, co-designing solutions and joining-up decision making. A strong and wide partnership with clear roles and responsibilities;
- avoid duplication and focus on priorities which are not already being addressed elsewhere through other strategies and plans;
- improve our understanding of the outcomes of our actions and monitor progress on a regular basis;
- driven by economic opportunities while responding to individual need;
- recognise the reality of the current public sector funding and commit only where there is a realistic chance of success;
- absolute priority and focus on clear areas of opportunity - limit speculation;
- retain and anchor people, skills and businesses to support economic transition and meet future opportunities;
- improve our understanding of the regional labour market from an employer perspective. We need better and ongoing evidence on the skills needs of the regional economy and what is happening to its people; and
- design an open learning approach through building on existing strengths and activities and in learning from and importing from elsewhere - where appropriate.

In addressing the skills challenges, the Moray SIP will prioritise around four key specific and thematic objectives. In addition, the delivery of those priorities is supported by four cross-cutting themes.

Thematic Objectives	Cross-Cutting Themes
<ul style="list-style-type: none"> • Effective information and advice. • Supporting key economic priorities. • A responsive skills infrastructure. • Enhancing employer engagement. 	<ul style="list-style-type: none"> • Governance and delivery structures. • Monitoring and reporting. • Making the case for additional resources. • Addressing non-skills issues

At this stage, the actions are necessarily high level and will of course require further development work and confirmation of resources and funding. This will be set out in the accompanying Skills Action Plan.

6.3 Moray Skills Action Plan

Based on the above a suggested Skills Action plan is presented below.

Summary of Moray Skills Strategy Key Action Areas

Effective Information and Advice	Supporting Key Economic Priorities	A Responsive Skills Infrastructure	Enhancing Employer Engagement
<ul style="list-style-type: none"> • Careers information and advice • Employer skills information • Talent Attraction retention and return 	<ul style="list-style-type: none"> • Volume local sectors • Growth opportunities • Niche Opportunities 	<ul style="list-style-type: none"> • Improving contribution of Moray College UHI • Developing the Apprenticeship Family • Enterprise and entrepreneurship • 	<ul style="list-style-type: none"> • Employer/ education links/SMEs • Workforce development • Supporting Brexit consequences

Cross Cutting Themes

- Monitoring and Reporting
- Governance and delivery structures
- Securing additional resources
- Non skills issues

Thematic Objective 1: Effective Information and Advice

The availability of high quality, current and easily accessible skills information and advice is important for both individuals and businesses in supporting their decision making and ensuring it is based on good quality information and advice.

This priority therefore seeks to provide immediate and focused support to all individuals and businesses in Moray. It is worth noting that the proposed Employability Hub should be able to provide a useful starting point:

- **Careers Information and Advice**
 - to review current approach to ensure that all stakeholders (pupils/students/teachers/parents and guardians) have access to appropriate information on local employment and career opportunities;
- **Employer Skills Information**
 - to provide a central point for employers to obtain information and advice on all issues relating to skills/employment/training/support. This should be “road tested” as suitable for micro/SMEs to access; and
- **Talent Attraction, Retention and Return**
 - development of a formal approach for Moray and partners to pursue. The recent Highlands and Islands plan may provide a useful starter to addressing the issue. As part of this a key requirement is that Moray Council allocate a lead officer to lead

Thematic Objective 2: Supporting Key Economic Priorities

The research has clearly identified the key employer/sector priorities for a skills strategy - we know quite well where the future opportunities and needs will be, we just need to agree how these will be delivered.

For each of these priorities a specific approach will be required based on numbers/levels/type of qualifications/timeframe/delivery channels, etc.

We believe this theme is probably the one which should be addressed with the greatest priority.

This includes a focus on:

- **Volume Sectors:**
 - sectors of the economy which are both major employers and are key parts of the regional infrastructure. These will include health and social/child care, construction, engineering;
- **Growth Opportunities:**
 - these will include existing key sectors (food and drink, tourism, etc); Growth Deal and related projects, new investments (e.g. Lossiemouth), developing sectors such as renewable energy/offshore wind, decommissioning; and
- **Key Niche Skills:**
 - for example teachers or doctors. These represent skills needs which may be small in number but important from a wider perspective.

A specific method will be required to address each of these priorities as the approach may be different for how each one is tackled.

Thematic Objective 3: A Responsive Skills Infrastructure

It is generally believed by stakeholders that the current skills infrastructure has an opportunity to play an even greater role in helping to deliver the economic and skills priorities within Moray:

- **Improving the Contribution of Moray College UHI**
 - HE/FE Research and Teaching: review portfolio footprint in light of agreed economic drivers. Explore opportunity for university town approach;
- **Developing the Moray Apprenticeship Family**
 - establish a coherent portfolio of MAs/FAs/Graduate Level Apprenticeships aligned with employer demand; and
- **Enterprise and Entrepreneurship**
 - develop a range of enterprise related skills offering to increase the level of new start business and SME development.

Thematic Objective 4: Enhancing Employer Engagement

The focus of much of the current Moray skills-related activity is around support for the individual to gain, retain and grow in employment. This theme focuses on enhancing the scale and nature of employer engagement to include: employer/individual, employer/public sector; and employer/education.

- **Employer/ Education Links/SMEs**
 - there has been some recent work to develop good employer/education links through the local DYW. Additional focus on addressing the issue of engaging micro/SMEs to include the development of appropriate employer/ education links to support work placements; internships; employment tasters etc;
- **Workforce Development**
 - a key priority is that the quality (value) of jobs in Moray should increase in the future. This will require both higher level skills and higher value jobs which can only be achieved through a parallel (demand and supply side) approach. This could include harnessing the skills of new people moving into the area on the back of the Lossiemouth developments or supporting employers directly;
- **Supporting Brexit Consequences**
 - we already know that many of the key sectors/companies in Moray could be impacted upon depending on the outcome of the Brexit negotiations. While it may not be possible at this stage to make any specific intervention, contingency plans should be considered by the Convention of the Highland of Islands.

Cross Cutting Themes

In addition to the four main themes there are cross-cutting issues which will be addressed through the strategy:

- **Monitoring and Reporting**
 - it was previously highlighted that we were unable to access any performance data on current skills delivery activity. A key early

requirement will be to review and assess what specifically is being delivered in Moray through national, regional, local strategies/plans;

- **Developing Appropriate Governance and Delivery Structures**
 - the strategy recognises that no single organisation on its own can or should be tasked with delivering the skills strategy. The development of an appropriate governance and delivery framework must be of consideration, particularly if this is not to involve the development of any new partnerships but instead seek to work through existing frameworks. A crucial issue is that the SIP should be supported at an appropriate (named) senior level individual within all partner agencies
- **Making the Case for Additional Resources**
 - in order to deliver the strategy resources will be required – people and money. A key part of the next stage of the development of the strategy is to identify specific resource requirements and seek appropriate support and partners. This will include ensuring appropriate use is made of the Flexible Workforce Development Fund; and
- **Non Skills Issues**
 - the report identified a number of non-skills issues which will impact on the potential success of the skills strategy. While outside the scope of a skills strategy there should at least be an influencing/informing role to ensure that these issues are recognised and are being addressed.
 - More details of the non-skills issues are included within the HIE Talent Attraction Strategy which included inputs from Moray
- **Wider engagement**
 - The Moray SIP has been primarily developed to inform the actions and investments of the main skills partners and stakeholders. However, it is also recognised that it provides the basis for engaging with industry on an ongoing basis. A key early action should therefore be to develop an agreed approach to industry engagement setting out how the various partners will engage and communicate with industry and employers.

Moray Skills Action Plan

Theme	Action Area	Headline Actions	Outputs	Lead	Support	Timeline
1 Effective Information and Advice	1.1 Careers information and advice	Review how/ what career information is being provided to determine what further information could be provided/ review delivery channels	Review completed with agreed actions	Moray Council	SDS HIE DYW Moray Moray College UHI DWP	March 2018
	1.2 Employer Skills Information	Moray Council in process to secure resources to establish new information hub	Training and Employment Support Hub established			
	1.3 Talent attraction, retention and return	Highlands and Islands wide strategy/ action plan already in place. Partners to endorse plan and allocate any required resources	Action Plan being delivered			
2 Supporting Key Economic Priorities	2.1 Volume sectors	Determine specific and detailed skills need of health and social care, construction and engineering in Moray based on local needs and delivery of Sector SIP	<ul style="list-style-type: none"> Undertake local research to identify appropriate responses based on employer feedback on future skills needs/ requirements across agreed sectors. Strategic skills plan as part of growth deal to follow on from above Specific approach for niche sectors developed/ approved and resourced 	SDS	Moray Council HIE NHS Grampian	Priorities to be determined Moray Region Growth Deal timescales requires this to be completed by June 2018
	2.2 Growth opportunities	1 Morayfication of SDS sector skills strategy and action plans 2 Develop overarching skills project as part of Moray Region Growth Deal 3 Review opportunities in future sectors of opportunity				
	2.3 Key niche skills	Determine niche skills requirements and develop specific approach for identified needs such as teachers or doctors				

Theme	Action Area	Headline Actions	Outputs	Lead	Support	Timeline
3 A Responsive Skills Infrastructure	3.1 Developing Moray College/ UHI contribution	Review current college provision in light of developing economic and skills priorities Determine how Moray College UHI will support Action Areas 2.1 and 2.2	Completed review and plan of change with actions agreed with all partners	Moray College/UHI	Moray Council SDS HIE	End 2018
	3.2 Developing a Moray apprenticeship family	Develop new foundation/ modern and graduate level apprenticeships in light of outcomes from Theme 2	Apprenticeship offering on Moray aligned to future demand/ opportunities			
	3.3 Enterprise and entrepreneurship	Develop range of enterprise skills offering for Moray Review option of new enterprise unit at Moray College UHI Review option of university town approach	<ul style="list-style-type: none"> Agreed plan for enterprise skills development Enterprise Unit appraisal completed University town project feasibility completed 			
4 Enhancing Employer Engagement	4.1 Employer education links	Work to develop education/ industry links to continue with focus on micro/ SMEs	<ul style="list-style-type: none"> Increase numbers of employers <u>actively</u> engaged with skills system Specific targets to be agreed 	Moray Council	SDS DYW HIE Moray College UHI DWP Business representative bodies Social Enterprises	Summer 2018
	4.2 Workforce Development	In a similar way that young people have been prioritised, an approach is required to support employers increase the skills of workforce Consideration of Apprenticeship levy	Moray workforce development approach developed, agreed by partners and resourced			
	4.3 Understanding Brexit	Partners to agree approach to monitor position. Determine if need for specific early action or assessment - Moray vulnerability	Partners agreed approach			

Theme	Action Area	Headline Actions	Outputs	Lead	Support	Timeline
5 Cross Cutting Issues	5.1 Monitoring and reporting	Develop a monitoring and reporting framework to help manage delivery of Skills action plan To include appropriate KPIs	Framework completed and agreed Allocation of resources and lead	Moray Council	All Community Planning Partners All partners previous mentioned	March 2018
	5.2 Structures and governance	Agreement required around governance and where the plan sits within the wider framework. Requirement for early partnership meeting	Governance structure agreed and in place Allocation of roles and responsibilities across all partners			End 2017
	5.3 Additional resources	1 Commitment required from all partners for specific resources to deliver plan including <u>senior</u> nominated individual as main contact point. 2 Consideration of new sources of funding for skills including Moray Region Growth Deal, flexible workforce development fund	<ul style="list-style-type: none"> Agreed funding approach to be developed Paper to be completed and agreed by Partners MC to develop suggested approach 			Summer 2018
	5.4 Non Skills issues	Although out-with the scope of a skills plan it is recognised that issues such as housing, education, transport etc have a direct impact on labour markets. Consideration of how Skills Strategy should seek to influence infrastructure provision - passive or active?	<ul style="list-style-type: none"> Skills partners to agree their role in influencing infrastructure Focus on delivery of Highlands and Islands Talent Strategy 			Summer 2018

6.4 Delivering the Action Plan

While developing and agreeing the Skills Investment Plan is a key first stage, the actual delivery of the individual actions will require to be prioritised and a formal approach agreed by all partners.

The plan MUST be seen as part of each Partner's day job and individual commitment is required by all organisations.

The delivery of the plan should seek to address the following points.

- partners to nominate a senior named member of staff to act as overall lead for their organisation and be the main point of contact into the wider structure;
- these individuals will form a *Delivery Steering Group* and be responsible for ensuring the delivery of the individual and collective actions and for reporting within the wider governance structure;
- an early task for the *Delivery Steering Group* will be to develop a communications plan/ launch of the SIP and to determine and agree prioritisation of all actions;
- the *Thematic Leads* will be responsible for undertaking the development and delivery of the individual actions and for securing the required support and resources from individual partners;
- the *Delivery Steering Group* will meet once a quarter to review progress, agree any changes/ updates and support securing required resources. It should also be the forum for partners to hold each other to account in terms of delivering their commitments;
- on an annual basis the *Delivery Steering Group* will conduct a detailed strategic review of progress and report to their appropriate management structures.

It cannot be stressed enough how crucial it will be to achieve success to have robust delivery protocols and a detailed and shared delivery plan.

6.5 Developing a Detailed Skills Action Plan

The Skills Strategy is necessarily a high level strategic document recognising the key issues to be addressed and identifying the high level actions required to be delivered.

The next stage will be for the partners to develop these high level actions into a more specific and detailed Action Plan to follow on from the high level plan which should address and confirm the following aspects:

- description – overview of individual project/programme;
- objectives – what is the action seeking to achieve in the longer term;
- actions – what will we use the allocated resources to “purchase” + over time;
- resources – required funding and people + over time;
- delivery – who/how/lead + roles and responsibilities for all partners;
- output targets – short term – year 1;
- outcome targets – longer term changes;
- monitoring – what/who/how/when will progress be reported; and
- review and evaluation – approach/time/who, etc.

It is important to note that each of the “actions” will be at a different stage and will therefore require different levels of development to complete the Plan.

It is also the case that it would not be possible to try and undertake immediate responses to all action areas and as such a time and resource plan will be required.