



WP6 Comparative Analysis Skills Supply and Demand

National Report Scotland

September 2017

Queralt Capsada-Munsech & Oscar Valiente, University of Glasgow

Project Coordinator:	Prof. Dr. Marcelo Parreira do Amaral (University of Münster)
Project no.:	693167
Project acronym:	YOUNG_ADULLLT
Project duration:	01/03/2016 to 28/02/2019 (36 months)
Type of document:	National Report
Duration WP:	Month 13-26
Dissemination level:	Public



Robert Owen
Centre for
Educational
Change

YOUNG-ADULLLT is a European funded H2020 research project that focuses on understanding and analysing **Lifelong learning** (LLL) policies addressed to **young adults**, in situations of near social exclusion at the **local and regional level**.



This project has received funding from the European Union's Horizon 2020 research and innovation programme Under grant agreement No 693167.

Contents

Contents	2
List of Figures	3
List of Tables	3
Acronyms	4
1. Introduction.....	5
2. Approach to work and methodology.....	8
3. National skills system of Scotland.....	12
4. Analysis of skills supply and demand at Glasgow City Region	13
4.1. Socioeconomic context in GCR.....	13
4.2. Mapping of the main skills actors and institutions in GCR	16
4.3. Analysis of the local governance of skills in GCR	21
4.4. Level and mechanisms of coordination	23
4.5. Assessment of the quality and use of skills in GCR	25
4.6. Conclusions and implications for young adults in GCR.....	28
5. Analysis of skills supply and demand at Aberdeen City & Aberdeenshire Region.....	29
5.1. Socioeconomic context in ACAR	29
5.2. Mapping of the main skills actors and institutions in ACAR	32
5.3. Analysis of the local governance of skills in ACAR	36
5.4. Assessment of the quality and use of skills in ACAR	38
5.5. Conclusions and implications for young adults in ACAR.....	41
6. Comparison of the two Functional Regions.....	42
References.....	44
Annexes	45
Description of institutions involved in the skills system of GCR.....	45
Description of institutions involved in the skills system of ACAR.....	51

List of Figures

Figure. 1 Skills system, context and skills ecology	7
Figure. 2 Glasgow City Region council areas.....	13
Figure. 3 Skills system in the Glasgow City Region: skills formation and skills use markets	20
Figure. 4 Aberdeen City & Aberdeenshire council areas	29
Figure. 5 Skills system in Aberdeen City & Aberdeenshire Region: skills formation and skills use markets	35

List of Tables

Table 1: Key informants and grey literature	9
Table 2: Links between objectives, questions, theory, evidence and methods	11
Table 3: Relevant socioeconomic statistics for GCR, Scotland's Census, 2011.....	15
Table 4: Relevant socioeconomic statistics for ACAR, Scotland's Census, 2011	31
Table 5: Main institutions involved in the skills system of GCR.....	45
Table 6: Main institutions involved in the skills system of ACAR.....	51

Acronyms

ACAR – Aberdeen City & Aberdeenshire Region

GCR – Glasgow City Region

LLL – Lifelong Learning

MA – Modern Apprenticeships

SCQF – Scottish Credit and Qualification Framework

SDS – Skills Development Scotland

SFC – Scottish Funding Council

SKOPE – Centre on Skills, Knowledge and Organisational Performance

SQA – Scottish Qualification Authority

SUL – Scottish Union Learning

STUC – Scottish Trades Union Congress

UKCES – UK Commission for Employment and Skills

YA – YOUNG_ADULLLT research project

1. Introduction

The main objective of WP6 is **describing and understanding the governance of the supply and demand of skills within and across the functional regions** under study in the Young-Adults (YA) project. The project refers to the regional supply and demand of skills as the regional *skills ecology*. Each partner country describes and analyses the governance of the skills ecology in the two functional regions under study, which will allow a further comparison of cases. The **national report for Scotland provides analyses for the functional regions of Glasgow City Region (GCR) and Aberdeen City & Aberdeenshire Region (ACAR)**. These are the two functional regions selected for in depth analyses across the whole YA research project.

In order to describe and understand the governance of regional skills in GCR and ACAR, four main tasks are performed:

- **Identifying and mapping** the actors, institutions, structures and their main activities relevant to the local governance of the skills ecology;
- Analysing main actors' **policy orientations** (interests, frames of reference), as well as their power to influence skills and Lifelong Learning (LLL) policies and activities for young adults;
- Understanding the **level and forms of coordination** of governance activities across different areas and scales in the formulation and implementation of skills policies for young adults;
- Report on and assess evidence of the **quality and the relevance of the skills** developed and used by young adults in the workplace and society.

In this initial framework it is important to describe and differentiate two relevant terms: the **skills system** (constituted by the *skills formation* and the *skills use subsystems*) and the **skills ecology**. As shown in Figure 1 below, the skills system is constituted by two parts: the skills formation and the skills use subsystems. In each one of these subsystems there is a supply and demand for skills. Local, national and supranational actors and institutions might be involved either in one or in both parts of the system and develop their activities in any of them. This skills system is partly inspired by the framework developed by Francis Green (2013) in which he proposes to frame the links between employers and skilled workers in two markets: the skills formation and the skills deployment markets. In the present research we refer to systems instead of markets because the interest of the research remains in the governance of the skills supply and demand and the actors' activities rather than in the value and amount of skills.

In the skills formation subsystem actors can be classified between the supply and the demand side. In the supply side we have those responsible for planning and delivering the education and training for young adults. They decide what is the content of the courses, who has access to these courses, what are the conditions to be awarded a qualification and to what extent these qualifications allow young adults to transition to higher levels of education and training. Problems of coordination usually exist between providers of education and training at different levels of qualification, between providers regulated by the education ministry and the labour ministry, and between initial and continuous education and training. On the demand side we have the young adults and their families. Young adults differ in their living conditions, their aspirations and their opportunities to attain these aspirations in the education and skills system. They make decisions about the type of courses they will take according to the information available and the entry requirements of the existing offer. Coordination issues usually exist between the aspirations of these young adults, the partial and contradicting information and guidance that they receive, and the institutional barriers and requirements to realise these aspirations.

Skills utilisation actors can be also classified between the supply and demand sides. In this case young adults are in the supply side because they are seeking jobs and are willing to offer their knowledge and skills in the labour market. Again the situation of young adults in the labour market differs largely in terms of living conditions, qualifications, skills, networks and the kind of jobs they aspire to find. Young

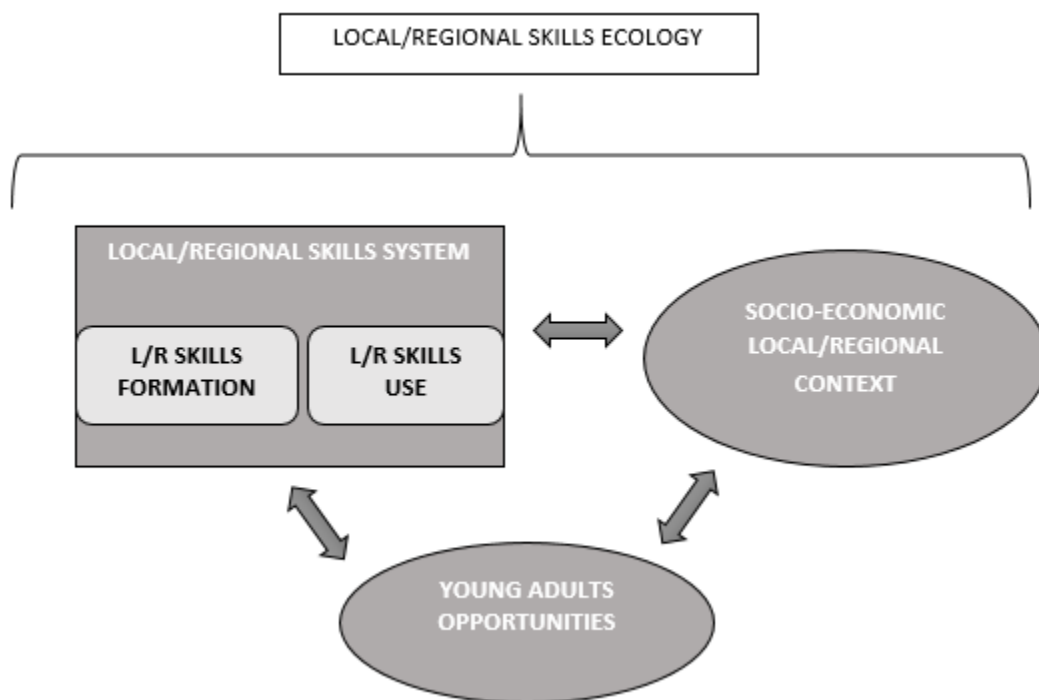
adults make decisions about their participation in the labour market based on their own preferences and circumstances but also on their perception of the available opportunities. Coordination issues usually exist between the perceptions and the opportunities actually available, as well as between their information needs and the career guidance and information that is offered to them. On the demand side we have employers and human resources in the companies. Regions differ in the structure of their economies, the characteristics of the companies, the recruitment practices and the culture of work in these companies. Companies make decisions about the recruitment of young people and the use of their skills in the workplace based on their production needs and their perception of the talent available in the region. Coordination issues usually emerge when companies are not able to find employers with the skills that they need and when they do not appreciate the potential of these employees, resulting in an underutilisation of their skills.

Coordination issues do not only exist between the supply and demand within skills formation and skills utilisation systems. There are also coordination issues between the skills formation and skills utilisation systems. The most usual problem is when the skills formation system is not training young people in the level of qualification, field of studies and skills that are demanded by companies in the region, undermining the opportunities of these young people to be find jobs. Another usual problem is when a region that is heavily investing in the education of their young people sees that the companies in the region are not offering qualification-required and attractive job offers to these young people, frequently resulting in over-qualification, emigration and job dissatisfaction among young adults. It is important to remember that a perfect matching between the skills provided by the education system and the skills demanded by the labour market is also problematic when this mainly occurs at the lowest level of qualification. Low skills traps are often associated with poor working conditions, low productivity and low salaries.

Skills systems are framed in a **regional socioeconomic context**, which is likely to differ from one region to another and across countries. The skills system is not impermeable to its context, which is also likely to vary across time. Therefore, the local/regional context is likely to affect the actors and institutions and their activities. Conversely, these actors/institutions and their activities might also have an influence in shaping the local/regional context.

The combination of the local/regional skills system into the local/regional context constitutes the **local/regional skills ecology**. Thus, **the interest of this national report of WP6 is to understand the local/regional governance of the skills system in GCR and ACAR, assessing to what extent it is influenced by the political orientations and relationships between institutions and actors, their local/regional socio-economic context, and the corresponding implications for young adults.**

Figure. 1 Skills system, context and skills ecology



The work of WP6 complements and has been developed in coordination with the rest of the empirical working packages of the YA project. However, one of the main differences is that the unit of analysis in WP6 is the region. WP3 (*Policy Mapping, Review and Analysis*) focused on policies targeted to young adults, WP4 (*Quantitative Analysis of Young Adults' Living and Social Conditions*) on young adults and WP5 (*Qualitative Research with Young Adults*) in young adults participating in the policies under study. Although WP6 does not focus on specific policies but on the overall pool of available skills in the functional regions, the work undergone in WP3 has facilitated the identification of main actors involved in the local skills ecology and the reports and sources of information used by policy makers and practitioners to govern the local skills ecology.

The work developed in WP4 has been crucial to frame and contextualise the socio-economic context of the regions under study. Previous work on skills supply and demand tends to focus on national averages, ignoring regional and local differences. Gathering data that considers the regional and local characteristics facilitates the understanding of different forms of governance of the local skills ecology.

Finally, the empirical material gathered in WP5 and the analyses developed in parallel to the current work for WP6 have served as a way to contextualise the opportunities of young adults in each region. The interviews conducted with policy makers, practitioners and young adults involved in the policies mapped in WP3 have further facilitated the understanding of the regional resources, objectives and priorities in terms of skills.

The work currently developed in the WP6 national report also aims at feeding and facilitating the tasks of WP7 (*Regional/Local Case Studies*) and WP8 (*Comparative Analysis and Reporting*).

The present report is organised into six main sections. Following this introduction, the methodology used to develop the analyses is described and discussed. Afterwards, an introduction to the Scottish national system of skills is outlined. Then the analyses for Glasgow City Region are presented. These analyses include 1) the contextualisation of the region in terms of socio-economic characteristics; 2) the mapping

of the main regional and local actors, institutions and structures involved in the skills system; 3) the identification and discussion of the policy orientations and levels and forms of coordination among actors; and 4) the assessment of the quality and use of skills at the regional level. The implications for young adults in the region are derived from these analyses. The same exercise follows concentrating in Aberdeen City & Aberdeenshire Region. To conclude the study, the results of the two functional regions are compared. Other emerging issues not included in the previous sections are discussed in the final section.

2. Approach to work and methodology

The main intention of this WP6 is to identify the actors involved in the supply and demand of skills, to understand how they govern, manage and coordinate their activities, and what the implications for young adults are. To attain WP6's main objective of describing and understanding the governance of the supply and demand of skills within and across the Functional Regions (FRs) under study, the work to be done involves the four specific objectives, previously mentioned in the introductory section.

As with the rest of the WPs constituting the YOUNG-ADULLLT (YA) project, the main theoretical frameworks driving the analyses are the Life Course Research (LCR), the Cultural Political Economy (CPE) and the Governance framework (GOV). Although WP6 includes these three theoretical perspectives, the GOV and the CPE are central to the analytical approach employed.

The Governance framework plays a key role in the task of identifying relevant actors, institutions and networks involved in the local/regional activities influencing young adults' skills formation and skills use. It also contributes to the understanding of the interplay among actors and institutions involved in different scales of governance (national/supranational/across regions). Therefore, the GOV framework is especially relevant in identifying and mapping the actors, institutions, structures and their main activities relevant to the local governance of the skills ecology.

However, the interactions among actors and institutions are not random. The CPE framework can help us understand the activities of actors and institutions by considering the discursive and material factors that influence their decisions and actions. Actors usually detect and consider problems for given targeted groups when some changes are experienced at the local/regional/national/supranational level (Variation). The activities/policies they decide to take part in and promote at the regional/local level (Selection) are not sustained over time and usually their effects are not the expected ones (Retention). In this sense, the national report of WP6 takes into account the CPE approach when considering the nature of the activities related to LLL for young adults, the policy orientation (interest, frames, incentives) of the actors/institutions involved, the (non)existence of coordination and their forms, and their desired and undesired effects on the opportunities available to young adults.

Finally, the way in which actors and institutions interact and decide to enact some activities/policies for young adults and coordinate them is likely to influence young peoples' lives. Therefore, from a LCR perspective the governance of the local/regional skills ecology is likely to influence the expectations, opportunities and lives of young adults. The (mis)match between young adults' skills, expectations and ambitions and the ones provided in their local/regional skills ecology are also likely to influence their lives.

The empirical evidence to attain these objectives and develop the tasks considered come from different sources. The main sources are semi-structured interviews with key local actors and the grey literature used in the region in relation to skills policies. Table 1 below presents the profile of the people interviewed in each region and the documents revised in GCR and ACAR.

- Interviews: In the case of GCR, key informants are from the following institutions: the Department of Employment and Skills at Glasgow City Council; the national skills agency Skills Development Scotland (SDS); the Glasgow Chamber of Commerce, currently involved in one of the main national

skills policies (Developing the Young Workforce, DYW); the Glasgow Colleges’ Regional Board; and one of the Colleges in Glasgow City.

The key informants from ACAR come from similar institutions as the previous case: the Department of Employability and Skills at Aberdeen City Council; SDS; and the Aberdeen & Grampian Chamber of Commerce, currently involved in DYW in the region.

A key informant for both regions is the Scottish Learning Union (SUL), as this organisation works across Scotland.

- **Grey literature:** the main reports considered for the review of the regional grey literature at GCR are the Regional Skills Assessment of SDS, the results from the Employers Survey from UKCES, one of the latest skills reviews from SKOPE and a case study report on Modern Apprenticeships from SUL-STUC. For ACAR the regional grey literature includes the Regional Skills Assessment of SDS, the results from the Employers Survey from UKCES and the skills audit performed by the Aberdeen City Council.

Table 1: Key informants and grey literature

	Glasgow City Region	Aberdeen City & Aberdeenshire Region
People interviewed	<ul style="list-style-type: none"> - Employment and Skills Officer, Glasgow City Council - Regional Skills Planning, Skills Development Scotland - Developing the Young Workforce, Glasgow Chamber of Commerce - Glasgow Colleges’ Regional Board - Glasgow Kelvin College 	<ul style="list-style-type: none"> - Employability, Skills and Community Enterprise Officer, Aberdeen City Council - North East Region, Skills Development Scotland - Regional Skills Planning, Skills Development Scotland - Aberdeen & Grampian Chamber of Commerce, Developing the Young Workforce North East Region
	- Scottish Union Learning	
Grey literature reviewed	<ul style="list-style-type: none"> - Regional Skills Assessment, Glasgow Region, November 2014, SDS (Skills Development Scotland, 2014b) - Employers Skills Survey 2015, Scotland Slide Pack, May 2016, UKCES - Improving Skills Utilisation in the UK – Some Reflections on What, Who and How?, August 2016, SKOPE (Keep, 2016) - Modern Apprenticeships Case Studies, Practical Workplace examples, April 2014, SUL-STUC (Scottish Union Learning -STUC, 2014) 	<ul style="list-style-type: none"> - Regional Skills Assessment, Aberdeen City & Shire Region, November 2014, SDS (Skills Development Scotland, 2014a) - Aberdeen City Council Sector Skill Needs Audit, January 2015, Aberdeen City Council (Farquhar, 2015) - Employers Skills Survey 2015, Scotland Slide Pack, May 2016, UKCES (UK Commission for Employment and Skills, 2016)

The semi-structured interviews have been transcribed and their content has been analysed through thematic coding. Information gathered in the interviews has been used to improve the mapping of actors

and institutions, to better know and understand institutions' policy orientations, interaction and forms of coordination with the rest of the actors.

The grey literature deemed relevant and influential at the local/regional level in terms of skills policies has been reviewed. Information on the quality and use of available skills at the regional level and the way it is assessed by the document institutions (e.g. positive, desired, negative...) has provided relevant information for assessing the quality and use of young adults' skills in the regional skills ecology.

In addition to the interview transcriptions and the grey literature, other sources of empirical evidence to attain the objectives of this WP6 national report have been the WP3 national report of Scotland on *Policy Mapping, Review and Analysis*, the policy documents reviewed in WP3, the websites of the main institutions involved in the regional skills system in each FR and the informal contact with key informants from the studied institutions. Interviews from WP5 with policy makers and young adults have also served as background information to support and contrast information available in the rest of empirical material. Quantitative indicators from WP4 have been used to contextualise the FRs.

Table 2 below summarises and links the objectives of the national report with the main research questions, the theoretical approach and the empirical evidence and methodology used to answer the questions.

Table 2: Links between objectives, questions, theory, evidence and methods

Objectives	Questions	Theoretical framework	Empirical Evidence	Main methodology
1. Mapping of actors and institutions	- Which are the actors and institutions involved in the governance of the skills ecology?	GOV	Policy documents Websites Interviews	Content Analysis
2. Policy orientations	- What is the perception of actors of the main economic and social challenges of the FR? - What is the degree of public and employers' commitment to skills development of young adults in the FR? - What are the policy orientations of the actors and institutions involved in the governance of the skills ecology?	CPE	Interviews Policy documents	Content Analysis
3. Level and forms of coordination	- What is the relationship between the local and national authorities regarding LLL and skills activities? - How do actors and institutions coordinate their activities? What mechanisms do they use? - Which actors have an influence in what is taught in LLL courses in the FR? - Which actors influence the decision of which skills are considered as relevant/needed at the local level?	GOV CPE	Interviews Policy documents Interviews WP5	Content Analysis
4. Types of (mis)match	- To what extent are young adults affected by the types of (mis)matches taking place in the skills formation and use markets? - How do they affect their lives, opportunities and outcomes?	LCR CPE	Grey literature Indicators WP4	Literature review

3. National skills system of Scotland

The Scottish education system is characterised by a pursuit of consensus and a decentralisation of many aspects of the education system to local authorities. These are the main features which have historically differentiated it from the rest of the United Kingdom. The Scotland Act 1998¹ gave the Scottish parliament legislative control over all areas of education within Scotland.

Local authorities in Scotland are responsible for making their own income spend decisions for the provision of education in early learning and childcare, primary education and secondary education. These are directly funded by the Scottish Government.

The Scottish Government funds teaching and research at Further Education Colleges (FECs) and Higher Education Institutions (HEIs) via the Scottish Funding Council (SFC), which is an arms-length organisation of the Scottish Government (formally a Non-Departmental Public Body). Each FEC and HEI in Scotland sets a yearly Outcome Agreement with the SFC in which they agree how the funding is going to be used to serve specific objectives in terms of learning, employability, living conditions and contributions to the regional economy.

The Scottish Government also funds Skills Development Scotland (SDS), which is the national skills agency, whose mission is to support individuals in their skills formation and use in the labour market and society, as well as supporting businesses in finding people with the skills they need. SDS uses labour market intelligence to detect the skills gaps and needs at the regional level and tries to meet them via the skills formation offer, encouraging people to take courses that might fit their interests and facilitate their employability in the regional labour market. One of the main activities of this skills agency directed to young adults is the funding and managing of the Modern Apprenticeship scheme, as well as the new Foundation and Graduate Apprenticeships. These are also directly funded by the Scottish Government.

With regards to the skills use in the labour market, local authorities across Scotland have Economic Development Departments which work in collaboration with the corresponding education departments in the local authorities and with the Scottish Government and derived agencies. However, since Scotland does not possess devolved powers in the labour market, part of the collaboration and cooperation in employability and skills subjects is with the UK Department of Work and Pensions (DWP).

Given this overview, it suggests that the public commitment to skills formation is quite high (Busemeyer, M R & Trampusch, 2012), as the Scottish Government is funding directly, via local authorities and agencies, the national skills formation in Scotland. The degree of decentralisation of skills formation is in an intermediate position (Hodgson & Spours, 2012). Whilst local authorities have autonomy in income and spending in education at primary and secondary level, the curriculum is decided at the national level. FECs and HEIs are funded at the national level, although they have regional autonomy and agree with the SFC their objectives with relative independence. SDS is a national agency and, even if it tailors strategies at the regional and local level, the main policy direction comes from the Scottish Government. Some areas, such as labour market policies and benefits are out of Scottish control, as they are a UK competency which the DWP manages.

The policies of DWP and the ones directed by SDS via the Scottish Government focus on serving the labour market's needs and gaps, and adapting skills formation to reinforce the employability of individuals. Therefore, in terms of the classification of varieties of capitalism it is clear that Scotland is based on a market-coordination economy (Hall, P. A. & Soskice, 2001).

¹ See the full text at <https://www.legislation.gov.uk/ukpga/1998/46/contents>

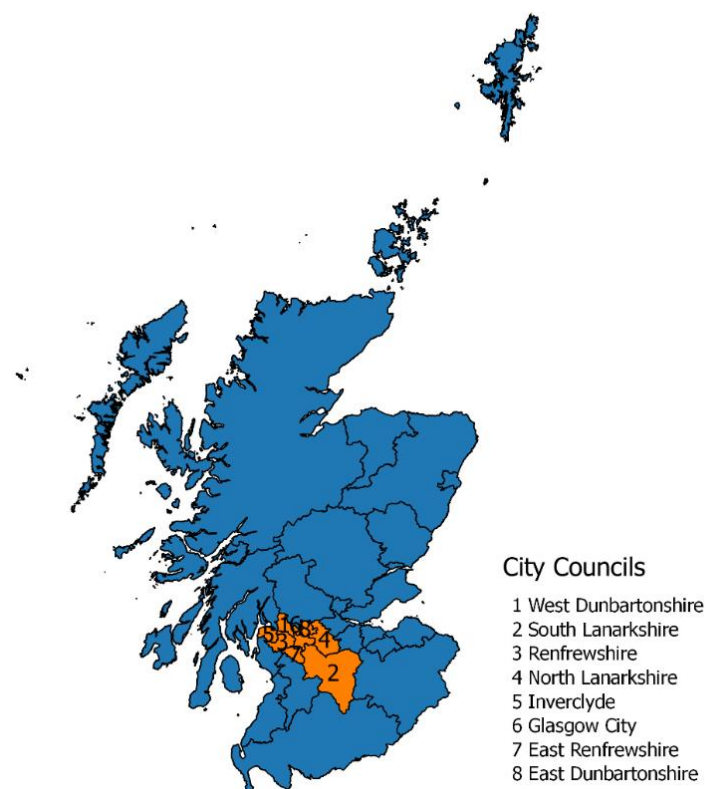
4. Analysis of skills supply and demand at Glasgow City Region

Based on the frameworks, theoretical approaches and the methodologies detailed in the previous sections, this section presents analyses corresponding to the mapping, policy orientations, levels and forms of coordination and quality, and use of skills in the Glasgow City Region.

4.1. Socioeconomic context in GCR

The Glasgow City Region (GCR) is one of the largest city regions in the United Kingdom and is Scotland's largest populated region, with 1,804,400 people living in the region, representing 34% of Scotland's population (UK Statistics Authority, 2015). The GCR is formed of eight council areas which are organised in Glasgow City Region City Deal². This city deal is an arrangement between the UK Government, the Scottish Government and the eight local authorities across Glasgow and the Clyde Valley (see Figure 2).

Figure. 2 Glasgow City Region council areas



Source: authors' elaboration.

a foreign-born population who have lived in the country for less than two years (26%), above the Scottish average (22.1%).

Glasgow City is the most populated city in Scotland, with close to 600,000 people. The other seven council areas that form the GCR are significantly less populated than Glasgow and the socioeconomic structure is quite diverse across them.

In terms of youth population, Glasgow City presents a quite youthful population, with 24.4% of the population aged 16-24 years old, considerably above the Scottish average of 18.5%. As presented in Table 3 below, the percentage of youth population is far lower among the rest of council areas, ranging from 14% to 19%.

Although Scotland is not a very diverse country in terms of ethnical background (84% white Scottish), Glasgow City – jointly with Aberdeen and Edinburgh City – is one of the regions with the largest variation in terms of ethnicity (78.6% white Scottish). However, most of the population is born in Scotland (82%) and this share is even higher (around 90%) in the other council areas of the GCR.

However, in the Scottish context Glasgow City is one of the centres of attraction for

² More information about Glasgow City Region City Deal at <http://www.glasgowcityregion.co.uk/>

One of the differential characteristics of Glasgow City is the larger share of socially disadvantaged people. The share of economically inactive people (aged 16-74) who are considered as long-term sick or disabled is 23.7%, high above the 16.6% Scottish average. This figure widely varies across GCR council areas, ranging from 11.2% in East Dumbartonshire to 24.8% in Inverclyde. According to Understanding Glasgow: The Glasgow Indicators Project³, in 2015 34.1% of children in Glasgow City were considered to live in poverty (after housing costs), the highest among the Glasgow and Clyde Valley, which ranged from a minimum of 14.2% in East Dumbartonshire to 27.9% in Inverclyde. Glasgow City also has one of the lowest life expectancies, being 73.4 for male and 78.8 for female, while the Scottish averages are 77.1 and 81.1 respectively. Once again, East Dumbartonshire is the region with an above average life expectancy for both males (80.5) and females (83.5), while the rest of council areas fall in between.

In the educational sphere, Glasgow City presents a more polarised picture. The percentage of 16-17 year olds in education is the lowest in the region (74.4%, below the 79.8% Scottish average), which is considered one of the key transitions in the Scottish educational model (i.e. positive destinations⁴). The share of the population with no qualifications is also fairly high (32%, compared to the 26.8% Scottish average), but the share of people with higher educational qualifications is 25.9%, similar to the Scottish average of 26.1%. Thus, it can be claimed that Glasgow City works as an attraction centre for people who want to upgrade their skills, both at the national and international level, as the three well-known universities and the three prestigious colleges attract many students that might later stay to work in the region. However, it is worth mentioning that this polarisation is larger in other council areas, such as East Dumbartonshire and East Renfrewshire, and the pattern works the opposite way (larger share with no qualifications and smaller share with high level qualifications) in Inverclyde and North Lanarkshire.

Last but not least, in terms of employment and economic activity the most relevant economic sectors are fairly similar across council areas, the service and retail sector being the most important, followed by human health and social work activities and the education sector. The share of economically active people across GCR is also similar, ranging from around 64% in Glasgow City to 70% in South Lanarkshire. The unemployment rate is also relatively low across the region, being the lowest in East Dumbartonshire (3.5%) and East Renfrewshire (3.5%) and the highest in Glasgow City (6.5%). If we have a closer look at the unemployment rate among youths (aged 16-24) the lowest is in Glasgow City (27.8%), below the Scottish average (30.2%). These figures are fairly similar across the region, the largest being in North Lanarkshire (31.9%).

³ For more information about Understanding Glasgow, see: The Glasgow Indicators Project at <http://www.understandingglasgow.com/>.

⁴ Since the publication of the “*16+ Learning Choices Policy and Practice Framework supporting all young people into positive and sustained destinations*” policy document, the Scottish Government considers as positive destinations for youth (after leaving compulsory education) those activities that involve being enrolled in any kind of formal education (school, further or higher education), in national training programmes, in full- or part-time employment, in personal/skills development courses, or in volunteering activities.

Table 3: Relevant socioeconomic statistics for GCR, Scotland's Census, 2011

	Scotland	Glasgow City	East Dumbarton-shire	East Renfrew-shire	Inverclyde	North Lanark-shire	Renfrew-shire	South Lanark-shire
Population count	5,295,403	593,245	105,026	90,574	81,485	337,727	174,908	313,830
% of population aged 16-29	18.5	24.4	15.0	14.9	16.9	17.7	17.4	16.4
% population white Scottish (ethnicity)	84.0	78.6	88.6	87.0	93.8	92.8	91.3	91.6
Country of birth: Scotland	83.3	82.0	89.2	89.3	92.9	93.5	91.1	91.4
% resident in the UK for less than two years (only foreign born)	22.1	26.0	6.4	6.7	8.5	10.7	17.3	10.6
% uses a language other than English at home	3.9	3.9	1.8	1.6	1.3	1.9	2.0	1.6
% of economically inactive people aged 16-74 who are long-term sick or disabled	16.6	23.7	11.2	12.5	24.8	21.5	20.5	18.7
% self-reporting very good general health	52.5	49.3	56.6	58.8	50.4	50.7	51.5	51.3
% of 1 person households	34.7	43.1	28.4	30.2	38.5	32.1	38.6	33.5
% 16-17 year olds in education	79.8	74.4	89.3	90.1	83.3	77.0	81.1	77.5
% with no qualifications	26.8	32	19.9	19.2	32.6	33.0	28.1	29.0
% with highest qualification attained Level 4	26.1	25.9	34.8	35.2	19.7	17.2	23.1	22.0
% economically active	69.0	64.5	69.2	69.9	64.2	69.6	68.7	70.1
% unemployed	4.8	6.5	3.5	3.5	5.2	6.0	5.1	5.1
% unemployed aged 16-24	30.2	27.8	29.6	30.0	29.9	31.9	29.6	31.2

Source: Scotland's Census.

In sum, in the Scottish context the most distinctive socioeconomic characteristics of the GCR are its larger percentage of diversity, a higher degree of poverty and deprivation, but nonetheless available educational and employment opportunities for youth, especially in the service, health, care and education sectors. However, there is a clear polarisation of qualifications among youths between those that have high qualifications and those that leave school without any. Therefore, one of the main regional challenges seems to be ensuring educational and job opportunities for such a diverse population, at the same time as paying special attention and providing social services support for the most disadvantaged people in Glasgow City and other disadvantaged council areas.

4.2. Mapping of the main skills actors and institutions in GCR

In this section the main actors, institutions and the structures concerning the skills system in Glasgow City Region (GCR) are described. The main purpose of this exercise is to identify actors and institutions at any level of governance (local/regional/national/supranational) somehow involved in the local/regional skills system. The section first starts by identifying the actors and institutions and providing a brief description of them.

Afterwards, they are located in one or more parts of the skills system. As discussed in the introduction of this report, the skills system is composed by the skills formation market and the skills use market. The position of and relations between the actors and institutions identified is visually presented in Figure 3 below. The main purpose of this exercise is to identify the main actors and institutions directly involved in the skills formation and use markets in the GCR, and their relationships.

As mentioned in the previous section, the GCR is formed by eight local authorities (see Figure 2 above). Each one of them has its own city council and education and employment services. Therefore, the description of the same institution applies to different centres spread across the region with a similar mission.

Identification and description of actors and institutions in GCR

In GCR there are ten relevant institutions that have been identified as being involved in the governance of the local skills ecology. A brief introduction to each one of them follows; a systematic description of each of these institutions is available in Table 5 in the annex.

- **Local authorities:** each one of the eight councils constituting the GCR has a local authority with responsibilities in terms of education and training. Although it varies across councils, most of them have an education services department, which mainly deals with school-related issues and, to a lesser extent, with lifelong learning policies. Most education services include adult education. Lifelong learning policies targeting vocational skills formation are usually included in the employment and skills and/or youth services. The education and employment services of local authorities also tend to cooperate with other departments with overlapping interests, such as economic development or regeneration services.
- **Colleges:** there are six colleges in the GCR. Colleges in Scotland are self-governed and are independent. Their main mission is to provide vocational education and training recognised by the Scottish Qualification Authority (SQA) in knowledge and skills relevant to the regional labour market. They are funded by the Scottish Funding Council (SFC) via Outcome Agreements. For the past years there has been a regionalisation of colleges in Scotland that has led some of them to merge. The six regional colleges are the result of a fusion of the previous ten existing colleges in the region. The main aims of this regionalisation of colleges were to a) rationalise costs, and b) better align the courses taught with the skills needs and demands of the regional labour market. The three colleges in

Glasgow City are governed by the Glasgow Colleges' Regional Board,⁵ which is a regional strategic body responsible for ensuring the coherent provision of higher and further education in Glasgow.

- Universities: there are five university institutions in the GCR: University of Glasgow, Glasgow Caledonian University, Glasgow School of Arts, University of Strathclyde and University of the West of Scotland. Their main mission is in providing higher education level qualifications. The main campuses of four of them are located in Glasgow City. For the past years universities in Scotland have been working on the promotion and development of knowledge and skills relevant to the labour market, incorporating new qualifications (e.g. Graduate Apprenticeships).
- Skills Development Scotland (SDS): The national skills agency, the SDS supports people and businesses in Scotland to develop and use their skills. There are 21 career centres in the GCR providing individual support to people to develop and use their skills, and to businesses to look for people with their skills needs. SDS's mission is to respond to the regional labour market demand needs through skills formation, career guidance and apprenticeships placements. They also have a central role in funding and managing the Modern Apprenticeships⁶ programme.
- Education Scotland: This is the national body in Scotland for supporting quality and improvement in learning and teaching. Although the main focus is on compulsory education, for the past years the support and focus on post-compulsory education and training – especially for youth – has increased. One of its challenges is implementing national policies at the local and regional level.
- Scottish Funding Council (SFC): This is the national funding body for colleges and universities. Each college and university in the GCR – and the rest of the country – establishes an agreement with SFC setting the quality and learning goals to be reached. Colleges and universities have to report to SFC, which monitors and evaluates their performance.
- Scottish Qualification Authority (SQA): This is the national body for accrediting and awarding qualifications. It works closely with educational institutions (including colleges and universities) to ensure quality learning and knowledge leading to valuable qualifications to continue to further studies or into the labour market. One of the main tools is the Scottish Credit and Qualification Framework (SCQF), which is Scotland's qualification framework. The SCQF aims at helping people of all ages, employers and other organisations to understand the full range of qualifications in Scotland, how they relate to each other and to the skills needed in the workforce. The SCQF is in the custody of and managed by the SQA in partnership with the Quality Assurance Agency for Higher Education, the College Development Network and Universities Scotland.
- Glasgow Chamber of Commerce: This is an institution representing the voice of businesses in GCR. The members of the institution are private employers and business owners. The institution promotes and develops activities beneficial to their businesses, such as networking opportunities, skills and training courses for employers and staff, business solutions and cost savings support.
- Scottish Union Learning (SUL): This is part of the Scottish Trade Union Congress (STUC). It supports trade unions in accessing skills and lifelong learning opportunities for their members that contribute to collective prosperity, fairness and equality, for workers across Scotland. Their main role is not providing skills formation, but to be aware of the existing landscape of skills formation supply, and to support trade union members in getting the skills formation they want or need.
- Charities and private training providers: although most of them are concentrated in Glasgow City, throughout the region there are a number of new charities and private training providers involved in the offer of courses for skills training. There are different types of arrangements in the way the

⁵ More information on Glasgow Colleges' Regional Board at <http://www.gcrb.ac.uk/>

⁶ More information on Modern Apprenticeships at <http://www.skillsdevelopmentscotland.co.uk/what-we-do/our-products/modern-apprenticeships/>

learners get in touch with the training provider or funder, but in most cases one of the government agencies or local authorities are involved in the funding and connection with learners.

Description of the skills system in GCR

Having identified and briefly described the main actors and institutions involved in the skills system, this section focuses on the relationships between them. Figure 3 below presents the skills system in GCR divided in the skills formation and the skills use markets. First, the institutions involved in the skills formation market and their relationship are explained. Second, the same exercise is presented for the skills use market.

Which institutions are involved in the skills formation market in GCR?

Most of the institutions identified in the previous section are involved in the skills formation market. The most important institutions concerning the supply of the skills formation in GCR are the six regional colleges, the five universities and the apprenticeships system (mainly, Modern Apprenticeships programme) provided by Skills Development Scotland (SDS) and the Glasgow Chamber of Commerce (DYW). As noted above, there are also a number of charities and private training providers across the region offering training.

The national bodies Education Scotland, Scottish Funding Council and the Scottish Qualification Authority are situated in a mid-position between the supply and demand of skills formation. They influence both the supply of skills formation (i.e. the courses and training on offer) but also the demand for the education and training through the policy agreements and promotion of certain types of skills formation. Scottish Union Learning (SUL) is in a mid-position, as it matches the existing supply of skills formation to the demands of trade union members. However, it is worth pointing out that SUL concentrates on facilitating skills formation for workers. Although some youth are in employment, a lot of them find themselves in the transition from education to the labour market and without a job. The SUL has some specific programmes targeted to youth, but mainly targeting youth already employed.

The demand for the provision of these skills formation courses basically comes from young adults in the region, who actually enrol in courses and attain knowledge and skills, which are usually accredited by a qualification. It is worth pointing out that young adults are one of the main absences detected in the identification and description process in the previous section, as there is not any formal institution representing young adults in GCR. Even if the other institutions are intended to provide good quality knowledge and skills that are relevant to young adults and serve their interests, there is no formal institution where youth can organise and represent youth voices in relation to their skills formation and use expectations, ambitions and concerns.

Other actors that can be considered as somehow influencing the demand of skills formation are local authorities, who usually have to implement national policies involving skills formation. Local and regional employers, as well as the Glasgow Chamber of Commerce, are also in demand of skills formation courses of interest to their economic activities, in order to ensure a regional ready-to-work workforce.

Which institutions are involved in the skills use market in GCR?

The supply of skills to be used in the labour market is basically provided by young adults who are willing to use them. Colleges are smoothing the path, establishing contact between young adults and firms via the work placements and on-the-work training programmes. The same applies to higher education institutions, although to a lesser extent, given the lower share of students who engage in work placements or other forms of on-the-work training previous to graduation. Another institution involved in facilitating the links between the skills formation and the skills use market is the Glasgow Chambers of Commerce, as it connects schools and other educational institutions with local employers.

The demand of skills use in the regional labour market comes from the public employers (local and regional public institutions) and private employers in the GCR. Charities and third party organisations are also in demand of young adults' skills use, as they can volunteer or have work placement apprenticeships in some of them.

As noted in Figure 3 below, Skills Development Scotland (SDS) is the only institution involved in the whole process. It has a relevant role in skills formation, through the apprenticeships system (mainly the Modern Apprenticeships programme), but its role is even more crucial in connecting the skills formation and the skills use market. SDS's main mission is to respond to labour market demands. The skills agency detects the skills use needs at the regional level and promotes skills formation targeted to fill the existing gaps. Although there is no coercive mechanisms to do so, offering a given amount of courses on specific topics with work placements in specific sectors is one of the most efficient and attractive ways to match the supply with the demand of skills at the regional level.

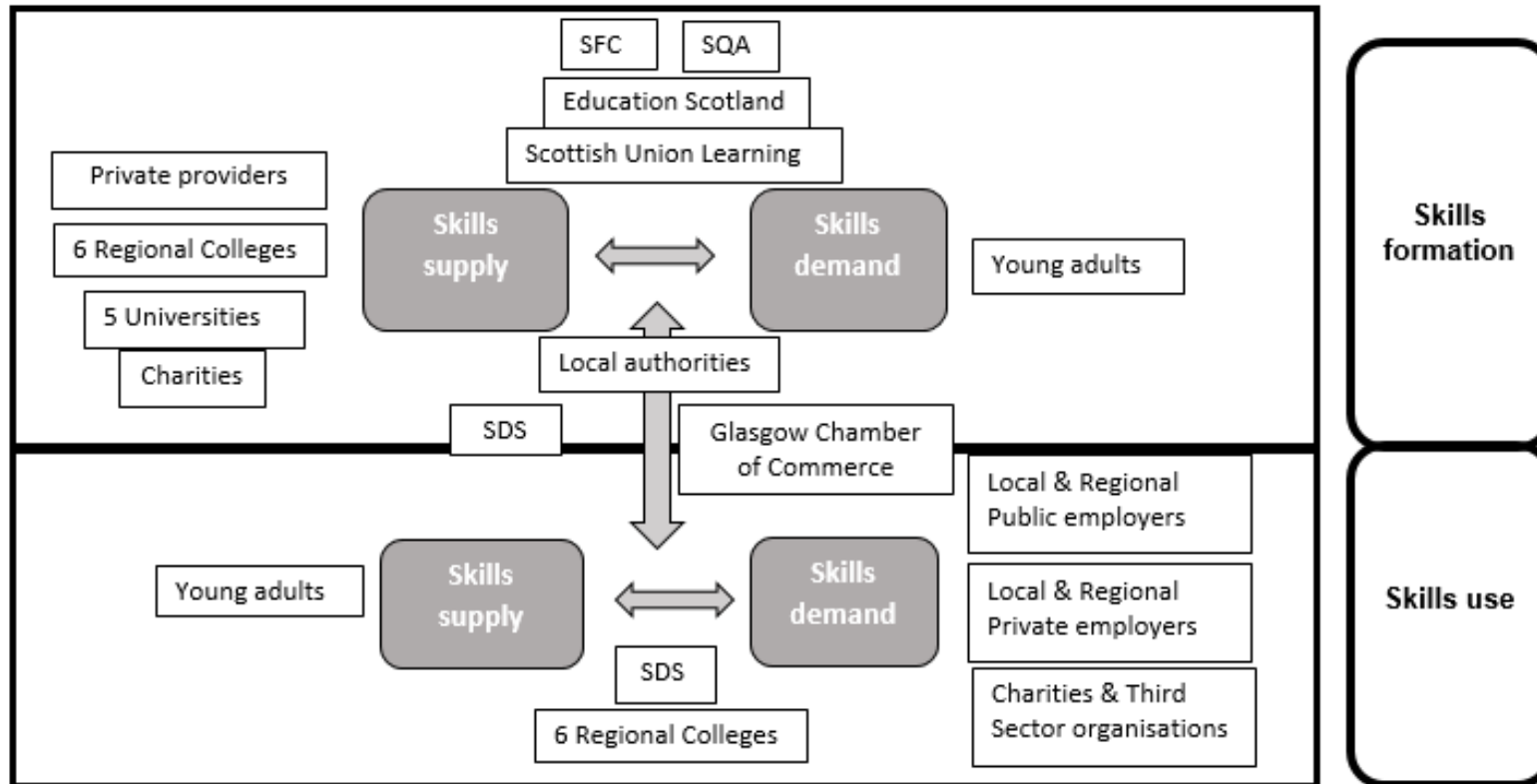
Some considerations

Although in the mapping presented there are several relevant institutions at the national level (Education Scotland, SDS, SFC, SQA, and Scottish Learning Union) the implementation and links are made by regional actors and/or regional branches of these institutions. For the past decades the Scottish policymaking tradition has been characterised by setting national strategies from the Scottish Government but allowing enough flexibility to adapt it to the regional needs and specificities based on the partnership model. By the mapping of institutions it seems obvious that SDS is the institution with the greatest capacity to engage and create links among actors from the skills formation and skills use market.

However, some potential gaps of coordination can be detected based on the regional reach of the different institutions. While the skills agency (and the Scottish Government) are working on a regional approach basis, some other institutions – such as local authorities – are responsible for a smaller geographical part of the region. Others might have been working on regional strategies lately – like the colleges and universities – but they are not naturally forced to do so. Similarly, employers might be happy to unite efforts and networking possibilities at the regional level, but they might well go beyond it if required. The same applies to the Scottish Learning Union, which is not organised in this regional structure, perhaps resulting in more difficult coordination and work with the rest of institutions.

Last but not least, even if the Scottish Government and SDS plan and work at the regional level, in the case of the GCR the reality of dealing with the most populated city in the country with all its specificities makes it difficult to provide and maintain proportionate attention to the rest of the region, which might be less populated but still faces different challenges to Glasgow City.

Figure. 3 Skills system in the Glasgow City Region: skills formation and skills use markets



Source: authors' elaboration.

4.3. Analysis of the local governance of skills in GCR

In the previous section we have identified and mapped the main actors, institutions and structures involved in the skills system of GCR, which has served as a starting point to draw on their policy orientations and interests and the level and forms of coordination of skills policies. In this section we analyse in-depth actors' policy orientations and forms of coordination. The main source of information comes from the semi-structured interviews conducted with key informants in the skills system at GCR. These informants come from the Glasgow City Council, Skills Development Scotland (SDS), Glasgow Chamber of Commerce, Glasgow Colleges' Regional Board, one of the main Colleges in Glasgow and the Scottish Union Learning (SUL).

Actors' policy orientations in GCR

In this subsection we are going to identify the main policy orientations of the actors and institutions involved in the skills system in GCR. We will do so by discussing the following topics: 1) how actors perceive the developmental challenges faced by GCR; 2) what are the economic and social plans for GCR and what is the role of skills; 3) what evidence is used to plan the GCR skills agenda; and 4) what are the actors' perceptions of the quality and availability of skills in GCR.

Developmental challenges in GCR

Several developmental challenges for GCR were mentioned by the interviewees, some coming from the supply, others from the demand side and others from the coordination of both. On the supply side, some of the interviewees highlighted as a challenge the need to ensure that young people do not leave school or training after school (SDS), making sure that they get involved in non-compulsory education or training. This, in turn, should support the challenge of improving the employability and productivity (Glasgow City Council) of a portion of youth with low qualifications and skills.

On the demand side, the main challenge for disadvantaged young adults is access to jobs and, especially, to good quality jobs (SUL) in the region or locality (Glasgow College, Glasgow Chamber of Commerce).

Others have combined the supply and demand perspective arguing that there is a mismatch between the wide range of skills formation and use opportunities in GCR and the reality for the young adults in the region (Glasgow Colleges' Regional Board). Given the polarisation of skills among young adults in GCR between those that have high and low skills profiles, it seems that those who live in GCR but not in Glasgow City tend to commute and work in Glasgow City in high skilled jobs, while the most disadvantaged young adults that live in Glasgow City's most deprived areas struggle to find a job in the city (Glasgow City Council, Glasgow College).

Economic and social plans in GCR

The main plans to cope with the developmental challenges of the region are, generally, aligned with the national policies of Developing the Young Workforce (DYW) and with the Glasgow Regional City Deal. To some extent, all the institutions taken into consideration are following the directives proposed by this national policy, such as widening access with special focus on disadvantaged young adults (colleges) and improving the links schools and colleges have with employers (Glasgow City Council, Glasgow Chamber of Commerce, SDS, colleges and schools). Each one of these organisations is setting bilateral links between educational providers and employers. The only institution that seems somehow less aligned with these plans is the SUL, as it mainly works with people who are already employed.

The Modern Apprenticeship (MA) programme, mainly managed by SDS, is also one of the main plans addressing the aforementioned regional challenges for disadvantaged young adults. As with most of the skills formation courses, the MA programme is publicly funded, being one of the flagship policies implemented by SDS as part of the DYW policy. SDS is responsible for allocating apprenticeships in the region to young adults looking for skills formation and work. While the employers may assume part of

the cost of on-the-job training and work-based learning of the young adults, they also receive economic incentives through public funded.

Colleges are also publically funded by the Scottish Funding Council (SFC). Each college establishes an Outcome Agreement with the SFC, setting their goals and priorities on a yearly basis. Funding is based on the monitoring and attainment of these goals. Scottish students do not usually have to pay any fees for college courses. Therefore, it can be stated that skills formation in the GCR are basically publically funded.

Evidence to support GCR skills agenda

Interviewees from all institutions interviewed use the data hub publicly published by SDS as their main source of evidence for diagnosing, analysing and planning solutions for the region. The national skills agency produces Regional Skills Assessments (RSA) based on regional data gathered by SDS and from other existing sources (e.g. Scottish Government, SFC, city councils).

The information to identify skills needs and the consideration of key economic sectors in the region are mainly based on these RSA reports. According to these, the main economic sectors in GCR are: financial business services, health and life sciences, food and drink, tourism & business visitors. The consideration of these sectors as strategic and relevant is based on its Gross Value Added (GVA) growth at the regional level and the number of employees in each sector. Although some might be diminutive in the number of employees (i.e. health and science) they can nonetheless be considered as strategic for economic growth. Based on these figures, SDS tries to match the offer of MAs in the region with the regional demands needed by key sectors. SDS also performs regional skills forecasts in order to adapt the skills formation to future regional skills needs/demands.

Colleges are also in touch with local and regional employers and try to provide ready-to-use skills for the labour market. However, they are well aware that they cannot meet all the specific demands from employers and that their role is to provide occupation-specific skills that can be used in a broad range of businesses in a sector.

Previously to the RSA reports, institutions declared that they were using their own data records and/or produced their own labour market intelligence. However, the efforts made by SDS makes it easier for the rest to use their data and complement it in some cases with in-house data (e.g. Glasgow Chamber of Commerce commissions some short employers surveys on specific topics) or with other regional data produced by other institutions (e.g. colleges follow-up data, Federation of Small Businesses, Joseph Rowntree Foundation).

Actors' perceptions in GCR

Two main points were raised during the interviews in relation to the actors' perceptions on the skills of young adults: first, the skills polarisation between high and low skills profiles in GCR, which are not randomly distributed across the region; second, the increasing relevance of digital, IT and STEAM skills, which are highly demanded by employers and report to have some difficulties in finding people with these skills.

Some of the interviewees (SUL and Glasgow Chamber of Commerce) also mentioned that employers think youth lack soft skills relevant to the world of work, but the interviewees agreed that there are skills that can only be learnt with work experience and maturity. One of the interviewees (Glasgow College) also mentioned the lack of self-esteem and knowledge of cultural norms among young adults coming from deprived areas, which make it even more challenging for them to get and keep a job.

Some considerations

Even if each actor presents it from a different perspective, it could be argued that most of the actors interviewed agree with the fact that GCR is a polarised region in terms of skills attained by young adults

and that the main challenge is to improve the skills and employability of those most disadvantaged to facilitate their access to local jobs. However, the main difference is in terms of orientation and the power of these actors on improving young adults' employability, on the development of new jobs or in the coordination of both.

In terms of planning and policy agenda, it seems that all the institutions are somehow aligned with the national strategy of DYW, which is currently the most important Scottish policy for youth employability and skills. It is obvious that efforts are directed at implementing and tailoring it at the regional level. However, evidence to do so comes mainly from the government's skills agency (SDS), which is the main institution providing information at the regional level. This might also influence the way actors perceive young adults' skills, as there is fair agreement in the problems diagnosed and solutions proposed at the regional level.

Based on SDS's approach and the data provided, it could be argued that the main skills formation policies in GCR are directly influenced by the labour market needs and, more specifically, based on the regional labour market needs. Skills formation courses leading to a qualification and apprenticeships aim at providing ready-to-use skills and work-based learning to improve the employability of young adults, at the same time as ensuring that the skills learned are going to be used in the labour market by these young adults. Therefore, the skills that are considered relevant in the region are based on the regional labour market needs.

Since public actors (City Councils, SDS and Colleges) are the ones steering the skills formation for disadvantaged young adults, it can be stated that the degree of public commitment to skills formation is high. The public commitment to skills use is also high, at least in reference to labour market use, as skills formation courses are aligned with concrete labour market sectors and occupations. However, it is noticeable that the assumption among these institutions is that disadvantaged young adults need to get a job to improve their situation and that the only considered way to do so is by providing ready-to-use skills targeted to the regional labour market needs. It seems that the way to smooth the transition from education to the labour market is by providing work placement learning opportunities. The MA scheme uses the work placement as a way to facilitate this transition, while at the same time reducing employers' costs of recruitment and training. In the case of colleges, even if they do not have to secure a work place for each student it is strongly recommended that students look for one as a way to facilitate the transition.

The degree of involvement of private employers and third party organisations varies across sectors and across the region. In general terms, it could be argued that the key economic sectors in GCR (business and financial services, ICT, care, tourism and food and retail) are to some extent involved in the skills formation of young adults when providing apprenticeships vacancies. The young adult in an apprenticeship is not considered as a "cheap" worker, but as a person that is in training. However, from an employer's perspective, having someone being trained in-house and, at the same time, screened as a potential suitable worker for the job is a way to reduce recruitment costs. Across GCR there is variation in terms of the availability of apprenticeships and jobs opportunities. While in Glasgow City there is a higher concentration of available apprenticeship vacancies and future job opportunities, in the rest of the region the concentration of businesses is lower and young adults in areas surrounding Glasgow City usually have to commute to get an apprenticeship position.

4.4. Level and mechanisms of coordination

Following up on the previous subsection, the focus of the current one is on the level and forms of coordination between public authorities at different levels (local, regional and national) and the communication between the supply and demand of skills formation and use. The identification of the formal and informal ways and spaces of coordination and dialogue between actors and institutions in the skills system are also outlined.

Levels of coordination

As argued in the previous section, skills formation is basically publically funded in the GCR. However, most of the funding comes from the national level. Therefore, there is a need of coordination and collaboration among different institutional levels. SDS can be considered the key institution in the GCR in reference to the vertical coordination with the Scottish Government. SDS links the national authorities with the regional ones. They work with the local authorities and the Community Planning Partnerships (CCP) to ensure that national skills policies (essentially MA and DYW) are translated into the local context. This coordination is registered through the CPP Single Outcome Agreements and the Youth Employment Activity Plans at the local level. These local linkages and plans facilitate local and regional data gathering, which are later translated into regional reports that facilitate regional policy monitoring and evaluation. However, this involves several departments and/or units of the same institution (e.g. Glasgow City Council), making the horizontal coordination among education, employment, development, social care and health departments a bit more challenging.

Similarly to the previous example, the SFC also translates and makes the link between national policies and regional ones when in relation to the Glasgow Colleges' Regional Board and the three regional colleges. As mentioned before, the College Outcome Agreement is a way to monitor and keep track of the way regional colleges are deploying the national policies and adapting it to the regional context.

Therefore, it could be argued that even if the policy direction is quite directive from the Scottish Government (centralisation) it is flexible and broad enough to allow for contextual implementation and enactment of the skills formation and use activities and programmes by regional and local actors. However, it is interesting to note that the interviewees feel quite empowered at the regional level and none of them explicitly mentioned the central level as a direct influencer. It was however mentioned in one of the interviews that cooperation with the Department of Work and Pensions (DWP) and job centres in the region would be advisable to help to support young adults who are unemployed.

Forms/mechanisms of coordination

As mentioned above, one of the main points of connection between public and private actors is the MA programme and the DYW policy. Institutions involved in these policies (SDS, Glasgow Chamber of Commerce and City Councils) meet frequently in coordination boards. It is interesting to point out that geographically speaking the headquarters of all of them are in the same square (George Square, Glasgow), which facilitates the meetings among representatives of each institution. This allows them to keep in touch and connect with employers who, even if they are not formally represented on these boards, are usually consulted because of their collaboration in the work placement of young adults. Actors consulted understand it as a regular dialogue that allows all of them to be up-to-date with each other's activities. This frequent exchange of information facilitates collaborations and combine efforts when common interests and activities are identified. Although it has been suggested by some actors (i.e. Glasgow Chamber of Commerce) to enact a memorandum of understanding to record, formalise and plan these collaborations, it is still not a reality.

Employers are organised via the Glasgow Chamber of Commerce and the Glasgow Economic Leadership (GEL) board, which was originally set up to support Glasgow city's economic strategy. The key industries in the board are financial and business services, health and life sciences, creative industries and the tourism and visitor economy. It is a tripartite board, as there are these private sector representatives, public sector institutions and an academic representation (it is chaired by Strathclyde University).

Another point of collaboration among actors is the one created by the Glasgow City Region City Deal⁷. It gathers representatives of the different local authorities at GCR, which have agreed, funded and

⁷ More information on Glasgow City Region Deal at <http://www.glasgowcityregion.co.uk/>

collaborated in different strategic projects in reference to infrastructures, skills & employment, and innovation & business growth. With regards to the skills & employment area, the main project relevant to young adults is the “Youth Gateway”, an integrated employment project to support youth aged 16-24 into sustained work. It has been argued that this regional city deal has not only strengthened the links between city councils, but also with local employers, initiating another space of frequent dialogue between local authorities and employers.

There are also a number of bilateral forms of collaboration among some of the actors involved in the skills system in GCR which are less formalised than the previous ones. For instance, SDS has agreements in specific subjects with the Scottish Trade Union Congress (STUC) on specific areas of work, but the unions are not usually reflected in the governance structures because they are built on the city region deals. The Glasgow Chamber of Commerce collaborates with schools and employers to establish a dialogue between them, placing employers’ ambassadors in schools who can connect youth with the world of work. Colleges also have bilateral connections with local employers, based on personal or longstanding connections.

Generally speaking, most of the interviewees think there is good coordination and work among partners. Some mentioned it is the result of a long-time partnership construction, especially in Glasgow City. The Glasgow Equal Access, the Glasgow Works and the economic strategies following it have been the basis to construct this partnership and make coordination effective. Therefore, the main mechanisms of coordination is the RSA provided by SDS. Since this data is based on identifying labour market needs and trying to fit the supply to the demand, it can be stated that it is a clear characteristic of liberal of market coordination.

SDS can also be identified as one of the most powerful organisations in the skills system for several reasons: it has comparatively high resources, it focuses on the regional level, and its main objective is to address skills strategies at the regional level. Therefore, its main task is to cooperate and partner with local institutions across the region, while operating a powerful funding tool like MA to connect youth, educational institutions and employers.

However, there are also some challenges detected in terms of coordination. First, the Glasgow City Council has expressed the difficulty in coordinating with seven other local authorities at the regional level. Each local authority has its own internal organisation. It is already difficult to coordinate with another department in the same institution, but it is even more challenging to do so with several departments from different local authorities. Some interviewees have also mentioned the fact that there are so many different boards that the challenge remains in avoiding overlaps. There is usually clarity and agreement in the strategic lines, but not on the execution.

4.5. Assessment of the quality and use of skills in GCR

In this section we are going to assess the type, quality and use of young adults’ skills in the labour market in the GCR. Building on the information provided by previous working packages (WP3 and WP4) and using secondary data and grey literature (e.g. reports, statistical outlooks) at the local/regional level we are going to first describe the level and type of young people’s skills available to be used in the labour market at this level. We are then going to assess what the difficulties employers are facing in using workers’ skills and which are the detected regional skills (mis)matches. From a regional perspective we will also assess to what extent the regional labour market is attracting and/or retaining young adults and what characteristics can help us differentiate which young adults are more likely to be employed, unemployed or face difficulties in using their skills.

Type and quality of skills

As mentioned in the previous section, for the past few years SDS has been working on gathering education, employment and skills data at the national and regional level. One of the main outcomes is the

Regional Skills Assessment (RSA), aiming to provide regionally tailored information to facilitate regional and local enactment of the skills strategy and other related education and employment policies, which we have considered as the main mechanism of coordination in GCR. One of the RSAs is for the Glasgow Region⁸, which includes Glasgow City, East Dunbartonshire and East Renfrewshire. Although it does not exactly match with the FR under study in the present report the information reported can be considered as very close to the GCR, mainly because most of the jobs and educational institutions in the region are concentrated in Glasgow City.

According to the information gathered by SDS, after the economic crisis there has been an increase in the number of youth staying in education and enrolling in further education courses. Compared to previous years, there has been an increase in the number of people enrolling in Modern Apprenticeships (MAs) and in College courses, included the ones leading to higher education certification. It is worth mentioning that, in comparison with other Scottish regions, Colleges in the Glasgow Region cater for an above-average proportion of students from deprived areas. The increase in the enrolment numbers in university courses has been significantly more modest both in relation to the other education levels and to the rest of Scotland.

Across educational levels, the most in-demand courses are in relation to business & management, art & design, care and ICT subjects. Medicine and engineering are also popular subjects at the university level. These are to some extent in line with the regional labour market demands.

Skills (mis)matches

According to SDS reports, most employers, in GCR have recruited school, college and university leavers from Scottish educational institutions. Most of them consider that the people they recruited are well prepared for work. However, there are those that consider that the people recruited to be lacking some skills and competencies which are mainly related to lack of experience, motivation and positive attitude, rather than to technical skills. In relative terms to the rest of Scotland, it suggests that the proportion of employers considering that their employees are not proficient enough is higher than the national average.

In relation to the sector, GCR's most demanding economic sectors are business and financial services, ICT, care, tourism, and food and retail. There have been detected some skills gaps and shortages in financial and ICT services. These current and future skills gaps and shortages are attempting to be addressed via the Skills Investments Plans.

The UKCES Employer Skills Survey reports concrete information for the wider area of the Glasgow & Clyde Valley⁹, which matches with the functional region of GCR. According to the Scottish report of the UKCES Employers Survey, Glasgow City is the region in Scotland with the highest proportion of vacancies and density of work. It is also among the regions with highest percentage of skills shortages. Generally, the skills that employers consider people are lacking are job- or organisation-specific. In comparison to the rest of Scotland, it seems that Glasgow is among those with the lowest percentage of skills gaps. However, it is among the top areas experiencing skills underutilisation.

Although Glasgow is also among the top regions whose employers declare that they are providing training, most of this training is firm- or sector-specific and does not apply to all employees. The main

⁸ Document available at https://www.skillsdevelopmentscotland.co.uk/media/35651/SDS_RSA_Glasgow_Region_Dig.pdf

⁹ Document available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525743/ESS_2015_Scotland_Slide_Pack__May_.pdf

reasons employers report for not providing further training are due to employees being fully proficient, or because of lack of time and resources to do so. This opinion contrasts with workers' opinions gathered by the Scottish Learning Union: workers mainly state that their training was needed and useful.

Attraction and retention of skills

It seems that most of the people enrolled in Glasgow City educational institutions are from the region. This is not surprising, since people usually study near to the place where they live or move somewhere to study. However, we can see that there are a number of people studying English for Speakers of Other Languages (ESOL) courses, which might be a proxy of the degree of attraction of the GCR for foreign young adults. Among university students, there is a big share who come from the rest of the UK, the EU and abroad. Therefore, it seems that universities in Glasgow are a pole of skills attraction.

In comparison to the rest of Scotland, employers in Glasgow do not seem to have significant difficulties in retaining employees.

Young adults' characteristics

There are two characteristics worth pointing out that might be affecting young adults' opportunities in the GCR. As in most countries, individuals having a higher level of skills facilitates employment, compared to those that have a lower level of qualification. Therefore, young adults with a higher educational level are more likely to be employed than those that do not. This is especially relevant in the GCR, where an above average number of students come from a disadvantaged background, being more likely to attain lower educational levels, compared to their peers coming from a more an advantageous social background.

The second characteristic also applies in many countries, although its relevance might vary. In the case of GCR, it has been noted above that one of the sectors experiencing a skills shortage is ICT, which is usually dominated by men. Students enrolling in ICT-related courses are mainly men, regardless of the efforts put in place to encourage women to enrol in ICT courses. This is certainly an area in which more can be done.

4.6. Conclusions and implications for young adults in GCR

The Glasgow City Region is one of the regions in Scotland providing more educational and employment opportunities for youth. However, these opportunities are not equally available to all young adults living in the region, given the polarisation experienced in the region in both educational and employment outcomes. Young adults coming from the most deprived areas have more challenges beyond the educational and work spheres that reduce their potential outcomes.

The skills system of GCR is well organised and there are existing partnerships among the most important institutions at the national, regional and local level. It seems that the most powerful actor in the region is SDS and the main mechanism of coordination among institutions is the information provided by this institution via the Regional Skills Assessment (RSA). However, they have to deal with a polarised young adult population and they tend to focus on the most disadvantaged ones.

If we take into account the framework presented in Figure 1 in the introduction, it can be argued that the opportunities for young adults are strongly related to the socioeconomic context of the region. This is especially important for disadvantaged young adults, which in the case of GCR basically refers to youth coming from socially disadvantaged families living in the most deprived areas of Glasgow City. Even if educational and employment opportunities are available in the region and there is a skills system organising and coordinating it, they still have some personal and social challenges that prevent them from progressing. The initial challenge is in finishing school with a qualification. There is a share of this group who do not succeed in doing so. There are policies in place to support these youth and make sure that they continue studying in a college after leaving school (even if without a qualification) which can then facilitate the transition to employment.

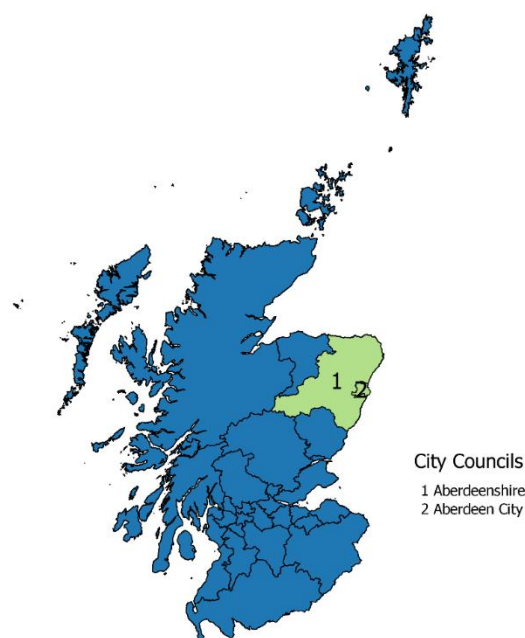
Obviously, this situation will take a long time to be fully addressed. However, it is worth pointing out that there are mechanisms in place to support the transition of these disadvantaged young people from compulsory education to further education and to the labour market. Similar and related policies and local and regional work have been in place for a long time in Glasgow City, and to a lesser extent in the rest of the region. Therefore, it can be claimed that there is still a long way to go, but selected mechanisms and policies are in place, partnerships have a long-standing tradition, and there are improvements on the way for disadvantaged young adults, mainly directed by the Scottish Government and regionally tailored and implemented by the regional and local actors.

5. Analysis of skills supply and demand at Aberdeen City & Aberdeenshire Region

Based on the frameworks, theoretical approaches and methodologies detailed in the introduction and methodological sections, this section presents the analyses corresponding to the mapping, policy orientations, levels and forms of coordination and quality and use of skills in Aberdeen City and Aberdeenshire Region.

5.1. Socioeconomic context in ACAR

Figure. 4 Aberdeen City & Aberdeenshire council areas



Source: authors' elaboration.

The Aberdeen City and Aberdeenshire Region (ACAR) is located in the northeast of Scotland. Although it is well connected by train and road --it also has an airport - - it is a more isolated area compared to the GCR. It is far from the so-called “central belt” of Scotland that unites Edinburgh City with Glasgow City. Aberdeen City and Aberdeenshire are two quite different council areas that make up a single region. Although the population in both council areas is quite similar, the population in Aberdeen City (222,793 people in 2011 Census) is concentrated in an urban and small area, compared to Aberdeenshire (252,973 people in 2011 Census) which presents a more rural and larger area. Overall, it represents around 9% of the Scottish population (UK Statistics Authority, 2015). In 2008 the Strategic Development Planning Authority¹⁰ (SDPA) partnership was created between the city councils of Aberdeen City and Aberdeenshire with the objective to jointly plan and guide development over the next 25 years.

Aberdeen City is the third-largest city in Scotland and it is well known for its oil and gas industry. Traditionally, the region was dependent on agriculture, fishing, and forestry and related processing industries, but over the last 40 years, the development of the oil and gas industry and its associated service sector has broadened Aberdeenshire's economic base, and contributed to a rapid population growth of 50% since 1975.

The relevance of the oil and gas industry has impacted ACAR in several ways. It has rapidly increased its population, mainly attracting young people with high educational qualifications from Scotland, the UK and abroad. In 2011 the share of people aged 16-29 in Aberdeen City was 25.6%, well above Aberdeenshire's 15.2%, with the Scottish average at 18.5%. In line with the previous observation, in Aberdeen City 75.3% of the population consider themselves white Scottish, well below the 82.2% in Aberdeenshire and the Scottish average of 84%. Similar figures apply when considering people who were born outside of Scotland. Differences between Aberdeen City and Aberdeenshire become even larger when considering the share of foreign-born people who have been in the UK for less than two years

¹⁰ More information on the Strategic Development Planning Authority at <http://www.aberdeencityandshire-sdpa.gov.uk/>

(30.6% in Aberdeen City; 16.8% Aberdeenshire). Compared to the rest of Scotland, the region has an above average proportion of people using a language different to English at home (3.9% Scotland; 7.8% Aberdeen City; 8.1% Aberdeenshire).

When referring to dependency and health issues, the region is in a better situation than the national Scottish average. The share of economically inactive people (aged 16-74) who are long-term sick or disabled in Aberdeen City (12.9%) and Aberdeenshire (10.9%) is below the Scottish average (16.6%), and certainly below other more disadvantaged areas of the country such as Glasgow City (23.7%). The share of people reporting to be in very good health is also above the Scottish average (52.5%), being 54.3% in Aberdeen City and 55.4% in Aberdeenshire.

Regarding education, it could be said that the region is in a better position than the Scottish average. Although the proportion of 16-17 year olds in education is lower in Aberdeen City (76.6%) than in Aberdeenshire (80.6%) and the national average (79.8%), the proportion of the population with no qualifications is lower in Aberdeen City (20.2%) compared to Aberdeenshire (23.6%) and the Scottish average (26.8%). The opposite applies for the share of people with high level qualifications: the share of people with high qualifications is larger in Aberdeen City (33.2%) than in Aberdeenshire (27%) and Scotland (26.1%), highlighting the relevance of qualifications in the city.

With regards to the labour market and the economic activity, it can be considered that the ACAR is quite active. The share of economically active population in Aberdeen City (73.3%) and Aberdeenshire (74.9%) is above the Scottish average (69%) and the unemployment rate is slightly lower in Aberdeen City (3.1%) and Aberdeenshire (2.5%) than the national average (4.8%). However, the unemployment rate among 16-24 year olds is fairly similar to the Scottish average (30.2%) in Aberdeen City (29%) and in Aberdeenshire (31.7%). Probably, having an overrepresentation of young people in ACAR might be part of the explanation for these figures. As mentioned above, the gas and oil industry and mining and related activities are the most important economic activities in the region, in terms of employment in professional scientific and technical activities, but also in terms of revenues. Other relevant economic sectors are the service sector and human health and social care activities.

Table 4: Relevant socioeconomic statistics for ACAR, Scotland's Census, 2011

	Scotland	Aberdeen City	Aberdeenshire
Population count	5,295,403	222,793	252,973
% of population aged 16-29	18.5	25.6	15.2
% population white Scottish (ethnicity)	84.0	75.3	82.2
Country of birth: Scotland	83.3	75.0	80.5
% resident in the UK for less than two years (only foreign born)	22.1	30.6	16.8
% uses a language other than English at home	3.9	7.8	8.1
% of economically inactive people aged 16-74 who are long-term sick or disabled	16.6	12.9	10.9
% self-reporting very good general health	52.5	54.3	55.4
% of 1 person households	34.7	37.9	26.5
% 16-17 year olds in education	79.8	76.6	80.6
% with no qualifications	26.8	20.2	23.6
% with highest qualification attained Level 4	26.1	33.2	27.0
% economically active	69.0	73.3	74.9
% unemployed	4.8	3.1	2.5
% unemployed aged 16-24	30.2	29.0	31.7

Source: Scotland's Census.

However, it is worth pointing out that data provided in this section corresponds to 2011 and the ACAR region has been strongly impacted by the decrease that the price of oil has experienced in the past couple of years. This event has impacted the economic and social activity of the region. Nevertheless, it can still be argued that the most distinctive characteristic of the Scottish North-eastern region is this economic activity and the direct and indirect socioeconomic consequences for the population in the region. Aberdeen City presents an above average youth population, with high qualifications, while the rest of the region remains quite dependent on agriculture, the food and drink industry and related services to the oil and gas industry.

One of the indirect consequences of the oil and gas economic activity is that the above average salaries of this sector have increased the price of the housing, making it difficult for people not employed in this

economic sector to afford accommodation. Therefore, it seems that this imbalance in terms of purchasing power across sectors might make things more difficult 1) for young adults willing to work in a sector other than the oil and gas, and 2) for the region services sustainability, as people might be willing to move to more affordable places to pursue their careers and lives, thus making some vacancies in the basic service sector (e.g. health, education) difficult to fill. However, the ongoing crisis experienced by the oil and gas sector in the region might reduce these differences in salaries and affordability to some extent.

5.2. Mapping of the main skills actors and institutions in ACAR

As previously done for the GCR, in this section the main actors, institutions and structures concerning the skills system in Aberdeen City & Aberdeenshire Region (ACAR) are described. The main purpose of this exercise is to identify actors and institutions at any level of governance (local/regional/national/supranational) in some way involved in the local/regional skills system and their relationships. The section first starts by identifying the actors and institutions and providing a brief description of them.

Once the main actors are identified and described they are located in one or more parts of the skills system. As discussed in the introduction of this report, the skills system is composed of the skills formation market and the skills use market. The position of the actors and institutions identified and their relations is visually presented in Figure 5 below.

Identification and description of actors and institutions in ACAR

In ACAR the ten relevant actors and institutions for the governance of the local skills system are the same as for GCR. A brief introduction to each one of them follows and a systematic description of each of these institutions is available in Table 6 in the annex.

- **Local authorities:** there are two local authorities involved in the region: Aberdeen City Council and Aberdeenshire Council. In each of the councils the school, education and learning services provide information and guidance on further and adult education, while the skills and employment services support individuals, local businesses, and community-based enterprises to create the conditions for sustainable economic growth. The services are somewhat more developed and extended in Aberdeen City than in Aberdeenshire Region.
- **College:** the only college in ACAR is the North East Scotland College. As with the rest of the colleges in Scotland, its main mission is to provide vocational education and training, recognised by the Scottish Qualification Authority (SQA), and knowledge and skills relevant to the regional labour market. It is funded by the Scottish Funding Council (SFC).
- **Universities:** there are three higher education institutions in the region: the University of Aberdeen, the Robert Gordon University Aberdeen and Scotland's Rural College (SRUC). All of them are members of Universities Scotland and provide tertiary education qualifications. Compared to other universities in the country, the ones in the ACAR region are more strongly influenced by the regional economic sector and in providing skills and qualifications more aligned with regional labour market needs.
- **Skills Development Scotland (SDS):** this is the national skills body supporting people and businesses in Scotland to develop and apply their skills. There are 3 career centres in ACAR providing individual support to people to develop and use their skills and to businesses to look for people with their skills needs. SDS's basic mission is to respond to the regional labour market demand needs through skills formation, career guidance and apprenticeships placements. In this region they have the challenge of dealing with urban and rural contexts.
- **Education Scotland:** this is the national body in Scotland for supporting quality and improvement in learning and teaching. Although the main focus is on compulsory education, for the past years the

support and focus on post-compulsory education and training – especially for youth – has increased. One of its challenges is implementing national policies at the local and regional level.

- **Scottish Funding Council (SFC)**: this is the national funding body for colleges and universities. Each college and university in ACAR – as in the rest of the country – establishes an agreement with SFC setting the quality and learning goals to be reached. Colleges and universities have to report to SFC, which monitors and evaluates their performance.
- **Scottish Qualification Authority (SQA)**: this is the national body for accrediting and awarding qualifications. It works closely with educational institutions (including colleges and universities) to ensure quality learning and knowledge leading to valuable qualifications to continue on to further studies or into the labour market. One of the main tools is the Scottish Credit and Qualification Framework (SCQF), which is Scotland’s qualification framework. The SCQF aims at helping people of all ages, employers and other organisations to understand the full range of qualifications in Scotland, how they relate to each other and to the skills needed in the workforce. The SCQF is in the custody of — and managed by — the SQA in partnership with the Quality Assurance Agency for Higher Education, the College Development Network and Universities Scotland.
- **Aberdeen and Grampian Chamber of Commerce**: this is an institution representing the voice of local businesses in ACAR. The members of the institution are private employers and business owners. The institution promotes and develops activities beneficial to their businesses, such as networking opportunities, skills and training courses for employers and staff, business solutions and cost savings support. The relevance of the oil and gas industry in the region is also present in the chamber of commerce.
- **Scottish Union Learning (SUL)**: this is part of the Scottish Trade Union Centre (STUC). It supports trade unions in accessing skills and lifelong learning opportunities for their members across Scotland. Their main role is not in providing skills formation, but to be aware of the existing landscape of skills formation supply and the needs and demands of trade union members in terms of skills formation. Their activity is more limited in the north east of Scotland, compared to the central belt area.
- **Charities and private training providers**: although to a lesser extent than in the GCR, throughout the ACAR there are a number of charities and private training providers involved in the offer of courses for skills training. There are different types of arrangements in the way learners get in touch with the training provider or the way they are funded. In most cases one of the government agencies or local authorities are involved in the funding and connection with learners.

Description of the skills system in ACAR

After identifying and briefly describing the main actors and institutions involved in the skills system of ACAR, Figure 5 below presents the skills system in ACAR divided between the skills formation and the skills use markets, which is fairly similar to the one presented for the GCR in Figure 3.

Which institutions are involved in the skills formation market in ACAR?

As also noted for GCR, most of the institutions identified in the previous section are involved in the skills formation market. The most important institutions concerning the supply of the skills formation in ACAR are the regional college, the three universities and the apprenticeships system (mainly, the Modern Apprenticeships programme) provided by SDS.

The national bodies Education Scotland, SFC and the SQA are situated in a mid-position between the supply and demand of skills formation, as they were for GCR. As noted in the mapping exercise for the GCR, these institutions influence both the supply and demand for skills formation throughout the country. The role of SUL is the same as in GCR, although their activity in ACAR region is far more limited, as they mainly concentrate in the central belt area, where most of the workers in the country are located.

As in GCR and the rest of the country, the provision of these skills formation courses is essentially demanded by young adults in the region, who actually enrol in courses and attain knowledge and skills,

which usually lead to a qualification. As also mentioned for the GCR, young adults are the main absence detected in the mapping exercise, as there is not any formal institution explicitly representing them and their interests.

Other actors that can be considered as somehow influencing the demand for skills formation are the local authorities of Aberdeen City and Aberdeenshire, who usually have to implement national policies involving skills formation. Local and regional employers, as well as the Aberdeen & Grampian Chamber of Commerce, are also in demand of skills formation courses of interest to their economic activities, in order to ensure a regional ready-to-work workforce.

Which institutions are involved in the skills use market in ACAR?

In ACAR the supply of skills to be used in the labour market is essentially provided by young adults who are willing to use them. These youth may already be living and studying in the region, or might come from somewhere else, attracted by the region's economic activity. The regional college smoothes the path from education to labour market for students of this college via work placements and on-the-job training organised by the college in collaboration with the regional employers. The same applies to the three higher education institutions in the region, which are more concerned with the employability of their students than other Scottish universities. Another institution that somehow facilitates the links between the skills formation and the skills use market is the Aberdeen & Grampian Chamber of Commerce, as it connects schools and other educational institutions with local employers via different programmes they have in place.

The demand of skills use in the regional labour market comes to a small extent from the public employers (local and regional public institutions) and to a wider extent from private employers in ACAR. Although to a lesser extent than in GCR, there are also some charities and third party organisations which are also in demand of young adults' skills use, as they can volunteer or have work placement apprenticeships in some of them.

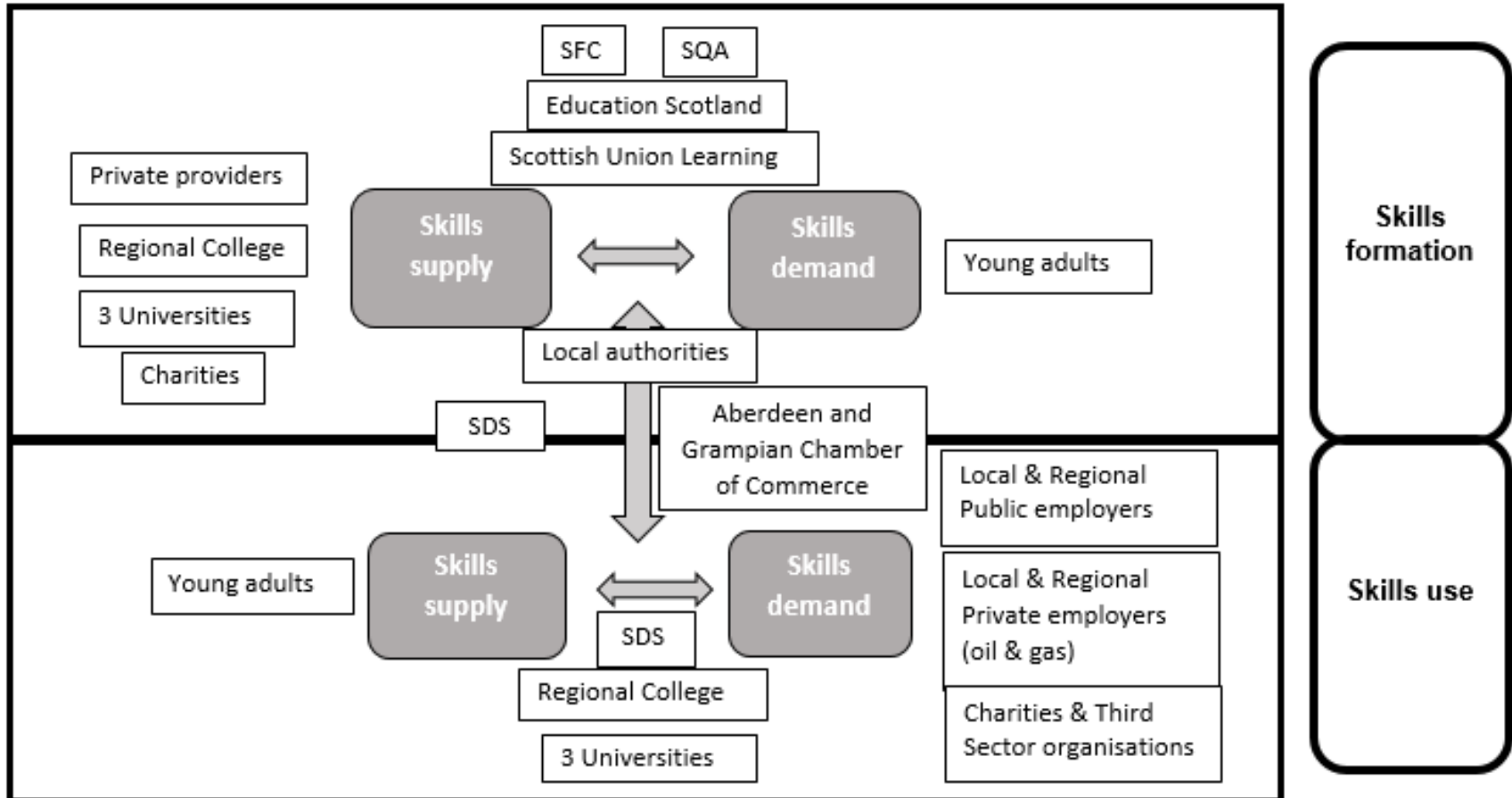
Similar to the GCR, Figure 5 also shows that SDS is the only institution present across all the skills system, both in the skills formation and in the skills use market, and also making the connection between the two of them. As in the case of GCR and throughout the country, the skills agency detects the skills use needs at the regional level and promotes skills formation which is targeted to fill the existing gaps. The resources and partnership building around them facilitates the improvement of the foreseen matching between the supply and demand of skills at the regional level.

Some considerations

The results of the mapping for ACAR are very similar to the ones in GCR. The national institutions have a similar structure all over the country and their goal is to implement the national policies and strategies, tailoring them to the regional needs and specificities. This is done via partnership building, which it could be argued SDS is leading in the area of skills (mis)match.

ACAR is a fairly diverse region, as it includes urban and rural areas and the urban area is significantly influenced by the presence of the oil and gas industry and the economic downturn experienced over the past years. The functionality of the region might work to the extent that it is a relatively isolated area from the most populated area of Scotland (the Glasgow-Edinburgh central belt area), but the disparity of people across the extensive area of the ACAR, and the economic power of the oil and gas industry, might create problematic situations.

Figure. 5 Skills system in Aberdeen City & Aberdeenshire Region: skills formation and skills use markets



Source: authors' elaboration.

5.3. Analysis of the local governance of skills in ACAR

In the previous section we have identified and mapped the main actors, institutions and structures involved in the skills system of ACAR, which has served as a starting point to draw on their policy orientations and interests and the level and forms of coordination of skills policies. In this section we analyse in depth the actors' policy orientations and forms of coordination. The main source of information comes from semi-structured interviews conducted with key informants in the skills system of ACAR. These informants come from the Aberdeen City Council, Skills Development Scotland (SDS), Aberdeen & Grampian Chamber of Commerce and the Scottish Union Learning (SUL).

Actors' policy orientations

In this subsection we shall identify the main policy orientations of the actors and institutions involved in the skills system in ACAR. We will do so by discussing the following topics: 1) how actors perceive the developmental challenges faced by ACAR; 2) what the economic and social plans for ACAR are and what the role of skills is; 3) what evidence is used to plan the ACAR skills agenda; and 4) what are the actors' perceptions of the quality and availability of skills in ACAR.

Developmental challenges in ACAR

As one of the interviewees stated "*Any conversation in Aberdeen City and Shire always starts and ends, and somewhere in the middle, with oil and gas*". With no exception, all interviewees from ACAR stated that, at the moment, the main challenges for the region are the consequences produced by the decrease in the price of the oil and gas barrel experienced for the past 18-24 months. All of them agree with the fact that the crisis experienced by the predominant economic sector in the region has made a lot of workplaces redundant. Two main consequences have derived from this situation: first, there are a higher number of unemployed people in the region – or soon to be unemployed – and, second, there are less work placements and apprenticeships opportunities for young adults living and studying in the region. Most of them have also mentioned that the crisis of the oil and gas has affected other related sectors in the region, especially the restaurants, hotels and services businesses, as well as other services and productions related to the oil and gas sector.

All interviewees agree that the region had enjoyed high employment rates for the past decades and the sudden shock produced by the decrease of the barrel of oil (from about \$140 to less than \$50 in less than two years) had not been foreseen. Regional and local services were not ready for this shock and did not have enough resources and expertise to support people who fell into unemployment or who had difficulties in getting a first-entry level job. ACAR has been traditionally a high employment area and people who were unemployed were regarded as people likely to have serious problems in other life domains.

Another associated challenge mentioned by a couple of interviewees (SDS and Aberdeen & Grampian Chamber of Commerce) is to change the expectations and preferences of youth people in the region, who were traditionally oriented to study courses related to the oil and gas sector, but should now consider other sectors who were traditionally considered less attractive, such as construction.

Economic and social plans in ACAR

The different interviewees place their emphasis on the recovery of the region after this decrease in the price of the barrel. While it is obvious that a relevant number of job posts have become redundant, the means to cope with it varies to some extent depending on the interviewee. Some argue that the oil and gas sector will still be the most important sector in the region (SDS) but that the type of jobs and skills required will change, and that the activities performed will vary. Others think that the regional strategy should focus on diversifying the economy (Aberdeen Council) and providing more attention to other

regional economic sectors, such as the food and drink or construction industries (Aberdeen and Grampian Chamber of Commerce).

This especially impacts youth who are about to select their further education or university studies. Some of the plans suggested have been to encourage youth to enrol in courses leading to sectors other than oil and gas, which has been the tradition in the region, as there are currently more opportunities for young adults in the aforementioned sectors. The main actors responsible for leading this change are schools, universities and colleges.

However SDS, in cooperation with the rest of the institutions identified in the region and via DYW, is in charge of career guidance services, which should also help to persuade young adults to consider other careers beyond the oil and gas industry. In fact, part of the DYW strategy to be implemented at the regional level is supposed to follow this line. However, as the oil and gas crisis was not foreseen there were not enough resources and professionals in place ready to provide this support for the affected population.

Evidence to support ACAR skills agenda

Although all actors mentioned the Regional Skills Assessments (RSA) produced by SDS as one of the main sources of information and analyses to plan the regional skills agenda, some interviewees also mentioned the use of internal data produced as labour market intelligence to take decisions based on evidence. Nevertheless, it is worth pointing out that the only easily publically available sources come from SDS. The other regional and local institutions might be sharing information with their counterparts in meetings, but it is quite difficult to get it online as an outsider.

Actors' perceptions in ACAR

There is an agreement among actors in the region that the main problem at the moment resides in the demand side. The reduction in the number of job and apprenticeships opportunities in the region is the main cause of a mismatch between the supply and the demand of skills. The region enjoys a qualified young workforce, compared with other Scottish regions. Even if there are some youth with lower skills levels and qualifications, their employment opportunities have been drastically reduced due to the current contextual economic situation of the region.

Some interviewees have mentioned the difficulty of encouraging youth to get into engineering careers despite the regional skills shortage of engineers in sectors other than oil and gas. Others have also mentioned the even more difficult situation experienced by disadvantaged people from the city and rural areas of ACAR in accessing a job.

Some considerations

It is quite clear that the actors' policy orientations in ACAR are fundamentally influenced by the contextual economic situation influencing the region. They all agree that the decrease in the number of available jobs and apprenticeships opportunities at any level is posing even more difficulties than before in terms of the transition from education to employment for youth. However, most of the solutions proposed refer to changing the preferences and decisions of young adults in their study and careers choices, persuading them to engage in growing sectors such as construction and services, even if they have not been traditionally considered as attractive options in the region. One of the reasons why these sectors were less attractive to youngsters is because the high salaries of the oil and gas industry rendered other professions, especially those in services, not profitable enough to live in an expensive region like Aberdeen, where the prices of accommodation are influenced by the high salaries in the oil and gas industry.

Level and mechanisms of coordination

Following up on the previous subsection, the focus of the current one is on the forms of coordination between public authorities at different levels (local, regional and national) and the communication between the supply and demand of skills formation and use. The identification of the formal and informal methods and spaces of coordination and dialogue between actors and institutions in the skills system are also outlined.

Levels of coordination

As in the case of GCR, skills formation in ACAR is essentially publically funded. Universities and colleges are funded by the SFC via the outcome agreements that each institution agrees with SFC. As argued above, the ACAR is strongly influenced by the crisis in the oil and gas sector. Most universities and the regional college might have to reconsider the annual outcome agreement in light of the new economic context.

The UK government has set an oil and gas strategy that mainly affects the northeast of Scotland. The Scottish Government has provided some specific funding for ACAR in the light of the economic situation. The Department of Work and Pensions (DWP) has also been working in cooperation with regional institutions in the ACAR to deal with the current situation. So, even if the funding and strategies come from the Scottish and British governments, the implementation of the policies and activities has to be done at the regional level by regional and local actors. There is a need for resources in order to cope with this unforeseen situation, but there is also a lack of expertise in the region in supporting unemployed people or those whose jobs are about to be redundant in a region traditionally enjoying high skills and employment.

Forms/mechanisms of coordination

All actors claim to cooperate and collaborate with each other in different ways. One of the forms this takes is the [Aberdeen City Region Deal](#), although it has also been claimed by some of the interviewees that it does not concentrate much on education and skills. Another platform of coordination among regional institutions is the Regional Economic Strategy or the Opportunities North East board. All of these gather together local authorities: Scottish Enterprise, SDS, DWP, and others. The city council also remarked on the importance of the Scottish Local Authorities Economic Development (SLAED) group, which involves other colleagues from economic departments across Scotland. One of the interviewees argued that it is difficult to create new partnerships in ACAR, as there are some going on already and people know each other and are reluctant to put in place new structures, and even less so if they are monitored or proposed by a non-regional institution.

Even if all the actors interviewed use SDS data and internal data to take decisions, it does not seem it is the main method of coordination. Probably, the only thing they all agree on — what drives their decisions and actions — is the oil and gas sector. It seems that all the coordination and actions taken depend on the activity and health of this sector. While the sector was successful, the education, skills and employment policies of the region also were, but there was no plan in case one day this sector became dramatically unsuccessful. Therefore, it seems that the most powerful influence on regional policy is simply the regional industry, more specifically, the oil and gas one.

5.4. Assessment of the quality and use of skills in ACAR

In this section we are going to assess the type, quality and use of young adults' skills in the labour market in the ACAR. Building on the information provided by previous working packages (WP3 and WP4) and using secondary data and grey literature (e.g. reports, statistical outlooks) at the local/regional level we are going to first describe the level and type of young people's skills available to be used in the labour market at the regional level. We are then going to assess the difficulties employers are facing in using

workers' skills, and what the detected regional skills (mis)matches are. From a regional perspective we will also assess to what extent the regional labour market is attracting and/or retaining young adults and what characteristics can help us differentiate which young adults are more likely to be employed, unemployed, or facing difficulties in using their skills.

Type and quality of skills

According to the 2014 [Regional Skills Assessment](#) of SDS for Aberdeen City and Aberdeenshire, the region's economy was dominated by the oil and gas sector. It has almost double the number of professional, scientific and technical services than the rest of Scotland and the productivity levels are likewise considerably above the Scottish average. Business expenditure on Research & Development is also above the national average and there is the potential for business growth in the oil & gas and in the food and drink industry.

During the years previous to the report, relative to the Scottish economy as a whole, Aberdeen City & Shire presented above average concentrations of employment in mining & quarrying, professional, scientific & technical, administration & support services, and manufacturing sectors. The region also had a relatively high representation within the Scottish Government Growth Sectors of energy, financial & business services, and the food and drink sector. Also in reference to national averages, Aberdeen City & Shire residents were more likely to be employed in skilled trade or operative and elementary occupations, and less likely to be employed in business support occupations than the rest of Scotland.

The region has experienced a population growth and the proportion of 20-40 year olds in the region is comparatively high. Unemployment rates are also low and employment rates high in comparison to national averages, even in the wake of the 2008 economic recession, which barely hit the region. However, young people were most hit by the effects of the recession in the region, as youth unemployment rates increased and there was a higher share of youth choosing to stay in further education rather than going into employment. The number of Modern Apprenticeships started in the region steadily increased, particularly in the engineering and hospitality sectors.

The most popular subjects for students in universities in the region are business & administrative studies, subjects allied to medicine, engineering, social studies, biological science and education. The insertion rate is quite high, as three-fifths of known graduates from universities in the region were in full-time employment six months after graduation in 2011/12, above the average for the Scottish university sector as a whole.

Skills (mis)matches

The 2015 [skills needs audit](#) performed by Aberdeen City Council, which already takes into account part of the substantial decrease in Brent Crude Oil Price, focuses on skills shortages in the city. It argues that the decrease in recruitment in the Energy sector improves the situation of skills shortages experienced in other regional sectors such as engineering and construction. However, skills issues are still present in the energy sector and in the manufacturing and healthcare ones. The report also provides evidence from a survey supporting the fact that the most difficult-to-fill vacancies in these sectors refer to professional and technician level staff, closely followed by semi-skilled staff. Some companies in the region have also declared they are actively recruiting and training unemployed and unskilled people as a means to increase the labour market pool and address skills shortages. Less than half of them have done so through engaging with secondary, further and higher education establishments. One of the suggestions from this audit is that companies consider the use of retired, part-time and Modern Apprenticeships as a way to address skills shortages.

According to the [Scottish report](#) of the UKCES Employers Survey, Aberdeen City & Aberdeenshire are close to the national average of vacancies, density of work and the percentage of skills shortages. However, it is one of the regions with larger skills gaps, even if the proportion of employers providing training and skills is at the national average.

Attraction and retention of skills

The [Scottish report](#) of the UKCES Employers Survey suggests that Aberdeen City & Aberdeenshire is the region with most difficulties in retaining people, jointly with Fife.

According to the survey conducted by the Aberdeen City Council for the 2015 [skills needs audit](#), 53% of companies increased salaries as a way to attract new staff. Even if this increases the operating costs and reduces the company competitiveness, it is understood as a way to address skills shortages in the region. However, this is less common among big companies (over 200 employees) and small ones (less than 5 employees).

Construction and manufacturing sectors have increased the use of agency workers to attract new staff, whilst the engineering sector's most successful recruitment initiative has been to recruit from outside the UK. However, the audit also points out the main difficulties in attracting people from outside Aberdeen, which basically refers to the high cost of living, especially of accommodation, and the high competition with other sectors.

Young adults' characteristics

The 2015 [skills needs audit](#) only points out the quality of school/further education leavers as a barrier to recruitment for the Engineering sector and within companies with 51 -100 staff. In general terms Aberdeen enjoys a young and qualified population. However, the main problem is that up until the decrease in the price of Brent Crude Oil they were not enough to cover the existing demand for skills use, so people from other regions and countries were filling this gap.

According to [RSA for ACAR](#), most of the companies of the region are recruiting school leavers from Scottish education institutions and they report to be generally happy with their preparation. However, as happens in most places across Europe, employers generally think that youth have a lack of world/life experience, a poor attitude or a lack of motivation, skills or competencies.

5.5. Conclusions and implications for young adults in ACAR

Aberdeen City and Aberdeenshire used to be one of the most successful regions in Scotland in terms of employment and in attracting youth with high skills levels. The main problem used to be skills shortages of highly skilled people in the oil and gas sector and engineering. However, for the past two years the decrease in the Brent Crude Oil price has questioned the regional skills ecology. Although ACAR continues to be one of the best-performing regions in Scotland in terms of high employment rates, low unemployment and high skills among the population, including youth, its strong dependence and tradition with the oil and gas sector has raised several alarms and forced institutions and the population to wonder what the regional economic situation is going to be and how best to move forward.

Since this was not a foreseen shock, there were no services and resources in place to support workers who were made redundant. The perception of instability might have been larger than reality shows. However, ACAR actors tend to compare the region with itself across time rather than with the rest of Scotland or the UK, given its specificities and outperforming outcomes.

The high dependence on the oil and gas sector might lead us to consider that the most powerful actor in the region is actually the oil and gas sector, or the companies forming it. The rest of the actors — including the public ones — do not have a central role. It seems that all the coordination and cooperation in the region is based on the health status of this sector. Even if the different regional actors share up-to-date information on the regional skills available and required, a big share of the cake corresponds to the energy sector. Therefore, the main steering comes from the market rather than from the public institutions.

If we take into account the framework proposed in the introduction of this report (see Figure 1), we should consider that the socioeconomic context of ACAR plays a key role. The skills system and the institutions forming it are quite similar to the ones observed in GCR. However, the main difference is the economic context, which is dominated by the energy sector and its health status. This has clear implications for young adults in the region. First of all, the likelihood to be considered as a disadvantaged young adult in national terms was quite low in ACAR, as the education and employment opportunities have been generally above the national average. However, the high dependence on one sector has meant that most of the educational and employment careers of young adults were traditionally directed to serve the needs of this sector. The consequences of a negative change that took place in the main economic sectors has impacted young adults. The ones that were about to enter the labour market via a work placement or through employment have found themselves with less opportunities than expected. Most of them have been forced to reconsider their careers, perhaps considering moving to another region or country. The implications for those that are about to choose an educational path is in considering which sector might be more rewarding in the future.

There is ongoing discussion on the future of the region's economic activity plans and its relation with the skills agenda. Whilst the oil and gas sector will probably maintain an important share of the regional economic activity, the type of jobs and activities might change, as well as its weight in the regional economy. Given the current situation, some actors are suggesting a diversification of the regional economy, in order to avoid depending on a single sector. However, relying on labour market needs, following the expanding sectors of construction and food and drink, might lead to similar situations for smaller numbers of youth – and the rest of the working population – if these sectors are also affected by economic shocks in the near future.

6. Comparison of the two Functional Regions

After separately analysing the regional governance of the skills ecology in the Glasgow City Region and the Aberdeen City & Aberdeenshire, similarities and differences arise from the analyses provided in all the dimensions considered in the analysis.

Starting with the regional socioeconomic context, GCR and ACAR present very different realities for young adults. As it has been described and argued in detail, GCR is characterized by a polarized young population in terms educational attainment and labour market outcomes, young adults from the most deprived areas from Glasgow City being the people most disadvantaged and struggling to attain educational and employment outcomes.

Following with the mapping of actors, it is pretty obvious that the formal mapping is quite the same in both regions. For the past years, the Scottish approach to policy making has been planning national strategies and policies at the national level that would be enacted at the regional one. This way, national policies could be adapted and tailored to the regional context and needs. This regional implementation is carried on by local and regional actors such as local authorities, regional educational institutions (schools, colleges and universities) and the regional services of Skills Development Scotland, the skills agency of the Scottish Government. Chambers of commerce and local and regional employers, third party organisations and skills formation providers are also part of the picture in both regions. However, the power of these actors and their forms of coordination differ significantly in GCR and ACAR.

On the one hand, in GCR SDS seems to be the most powerful actor, which is present all over the skills system, has resources and partnerships in place, and moves forward national policies enactment in GCR. The main mechanisms of coordination seem to be the Regional Skills Assessments (RSAs) produced by SDS, based on the regional labour market needs and skills gaps to address. The regional actors try to direct their actions and activities to meet the goals proposed by SDS.

On the other hand, in ACAR neither SDS nor the local authorities seem to be the most powerful actors. Although the formal skills system is the same as in GCR none of the aforementioned institutions seem to have the power in the regional skills agenda. We have argued that the oil and gas sector is the main influencer and the one steering the regional skills agenda, setting the needs and demands of the sector. The other actors try to feed the sector with skills formation and linkages to it. The strong economic power of the sector somewhat explains its prevalence in the region. So, the main form of coordination among actors is via the oil and gas sector. It therefore seems that the regional socioeconomic context plays a significant role in the governance of the skills system in both Scottish regions.

Regardless of these differences, both Scottish regions have in common that the skills agenda is mainly planned in two ways: first, in trying to fulfill labour market needs in terms of skills by sector and level; and second, in treating as key transitions for youth the move from school to further education and to the labour market later on. The actors and institutions in the two regions are very much influenced by the national policies, especially DYW and MA, which can be considered specific initiatives/strategies of the policy. From a CPE perspective it is quite clear that the Scottish Government has selected the youth transitions from school to further educational steps, training or employment as the main problem that needs to be addressed. The economic crisis has made this even more evident, but it was an already existing problem in GCR; this was not the case in ACAR, which has instead seen problems stemming from the downturn in the price of oil and gas. The main response is the DYW policy, making sure that young people from 16 to 24 remain in positive destinations, which are considered to be education, training and employment. One of the main tools to do that is to increase the collaboration among schools, colleges and employers to make sure that there is a route for youth to follow. The Modern Apprenticeships is a clear tool managed by SDS in cooperation with the rest of actors. While this policy is working as expected in GCR, it has been more challenging in ACAR, as the long tradition of high

employment and opportunities for young adults in education, training and employment meant that the actors in place were not ready to provide this support as they did not expect to run short of work placements.

Even if the two regions have been affected by economic crisis (2008 and Brent Crude Oil Price) the institutional reaction has not been the same. While GCR has a long tradition of supporting disadvantaged youth in different life domains, ACAR institutions were not ready to support people who were in a vulnerable situation, even though their vulnerability is to a lesser extent than in GCR. There has been a lack of resources and expertise to confront an unforeseen situation.

References

- Bussemeyer, M R & Trampusch, C. (Eds. (2012). *The Political Economy of Collective Skill Formation*. Oxford University Press.
- Farquhar, H. (2015). *Aberdeen City Council Sector Skill Needs Audit January 2015*.
- Green, F. (2013). *Skills and Skilled Work. An economic and social analysis*. Oxford University Press.
- Hall, P. A. & Soskice, D. (2001). *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford University Press.
- Hodgson, A., & Spours, K. (2012). Three versions of “localism”: implications for upper secondary education and lifelong learning in the UK. *Journal of Education Policy*, 27(2), 193–210.
- Keep, E. (2016). Improving Skills Utilisation in the UK – Some Reflections on What, Who and How. *SKOPE Research Paper, 123* (August 2016).
- Scottish Union Learning -STUC. (2014). *Modern Apprenticeship Case Studies. Practical Workplace Examples*.
- Skills Development Scotland. (2014a). *Regional Skills Assessment Aberdeen City & Shire*.
- Skills Development Scotland. (2014b). *Regional Skills Assessment Glasgow Region*.
- UK Commission for Employment and Skills. (2016). *Employer Skills Survey 2015 Scotland Slide Pack*.
- UK Statistics Authority. (2015). Office for National Statistics. Retrieved October 10, 2017, from <https://www.ons.gov.uk/>

Annexes

Description of institutions involved in the skills system of GCR

Table 5: Main institutions involved in the skills system of GCR

Name of the actor/institution and affiliation	Nature of the institution	Level of the institution	Description of the institution (mission)	Involvement in Skills formation	Involvement in Skills use	Relation with other actors/institutions	Other relevant information
City Councils: - East Dumbarton City Council - East Renfrewshire City Council - Glasgow City Council - Inverclyde Council - North Lanarkshire Council - Renfrewshire Council - South Lanarkshire Council - West Dunbartonshire Council	Public	Local	Local authorities Education Services main job consists in implementing at the local level the policies formulated by the Scottish Government in relation to Education and Training, from early childhood to adult learning. The main objectives are raising attainment and achievement for all, developing national education policies (e.g. Curriculum for Excellence), meeting the needs of all learners, in particular those with additional support needs, working with partner services to improve further outcomes for children, young people and their families. However, depending on the local authority the education services might be more or less tightly linked with the employment and skills, youth and/or adult learning services.	Yes, in supporting the educational system from early childhood education to adult education.	Not directly, but some local services aim at smoothing the transition from education to work and/or providing relevant skills for the labour market.	The main relationship is with the Scottish Government, but at the local and regional level they are also likely to be involved in partnerships with Skills Development Scotland (SDS) and regional colleges and universities.	https://www.eastdunbarton.gov.uk/residents/schools-and-learning/adult-learning-and-employability http://www.eastrenfrewshire.gov.uk/adultlearning http://www.glasgowlifeline.org.uk/communities/adults/learning/Pages/default.aspx https://www.inverclyde.gov.uk/education-and-learning http://www.northlanarkshire.gov.uk/index.aspx?articleid=32664 http://www.renfrewshire.gov.uk/article/3576/Adult-learning

							http://www.southlanarkshire.gov.uk/education-learning http://www.wdcp.org.uk/key-information/employability-and-working-4-u/
<p>Colleges:</p> <ul style="list-style-type: none"> - Glasgow Kelvin College - Glasgow Clyde College - City of Glasgow College - South Lanarkshire College - New College Lanarkshire - West College Scotland 	Public, financed by the Scottish Funding Council (SFC)	Regional, self-governed	Colleges are the main providers of both vocational and general further education in Scotland. Scotland's colleges offer a diverse curriculum - including vocational, further, and higher education - to a diverse range of people and communities.	Yes, their main mission is skills formation (vocational level, further education and higher education).	Yes, they support apprenticeships as part of most of their courses in order to smooth the transition from education to work. They usually have contacts with local and regional employers.	Local and regional employers, Universities Scotland and Scottish Funding Council. All colleges in Scotland are members of Colleges Scotland, an institution that acts as a collective voice for Scottish colleges, aiming to make the sector valued, recognised and available to all.	www.glasgowkelvin.ac.uk www.glasgowclyde.ac.uk www.cityofglasgowcollege.ac.uk www.southlanarkshire-college.ac.uk www.nclanarkshire.ac.uk www.westcollegescotland.ac.uk
<p>Universities:</p> <ul style="list-style-type: none"> - University of Glasgow - Glasgow Caledonian University 	Public, funded by the Scottish Funding Council (SFC)	Regional, self-governed	Universities are the main providers of higher education qualifications. Scottish universities vary in their size and shape. While some attract students from all over the world	Yes, their main mission is skills formation (higher education level).	Limited. Although there are some career services and graduate apprenticeships	Local and regional employers, Scottish Funding Council and	http://www.gla.ac.uk/ http://www.gcu.ac.uk/ http://www.gsa.ac.uk/

<p>- Glasgow School of Art - University of Strathclyde - University of West Scotland</p>			<p>some others are more targeted to providing higher education courses for local and regional young adults.</p>		<p>, the involvement in the skills use is still very residual. However, universities are interested in providing relevant skills for the labour market.</p>	<p>Colleges Scotland. To a lesser extent with Education Scotland and Scottish Qualification Authority. Most universities in Scotland are members of Universities Scotland, an institution that acts as a collective voice for Scottish universities, aiming to promote and defend universities' interests.</p>	<p>http://www.strath.ac.uk/ http://www.uws.ac.uk</p>
<p>Skills Development Scotland (SDS)</p>	<p>Public skills agency from the Scottish Government</p>	<p>National, with regional and local centres</p>	<p>Skills Development Scotland is the national skills body supporting the people and businesses of Scotland to develop and apply their skills. They tackle the demands of the economy and businesses at the regional level and adapt skills formation courses and career guidance to meet these demands.</p>	<p>Yes, especially in providing apprenticeships for young adults and career guidance. SDS is also involved in providing information and direction to adapt skills formation to skills needs from the</p>	<p>Yes, especially in responding to economy and employers demands. Their main purpose is to fulfil employers' and the economy's skills demands.</p>	<p>Colleges, employers, Scottish Government and other government agencies such as Education Scotland, Scottish Funding Council and Scottish</p>	<p>Career centres in the Glasgow City Region: 7 career centres in Glasgow City 5 career centres in North Lanarkshire 5 career centres in South Lanarkshire 1 career centre in East Dunbartonshire</p>

				economy and businesses.		Qualification Authority.	<p>1 career centre in West Dunbartonshire</p> <p>1 career centre in East Renfrewshire</p> <p>1 career centre in Inverclyde</p> <p>1 career centre in Renfrewshire</p>
Education Scotland	Public	National	Education Scotland is the national body in Scotland for supporting quality and improvement in learning and teaching. It brings together a number of organisations and teams whose work contributes to key areas of the agency’s remit. Some of the main activities are supporting curriculum guidance, providing learning and teaching resources, inspection and review for quality improvement, supporting local authorities and learning communities to introduce and embed approaches to promote positive relationships and behaviour, supporting, encouraging and providing resources for career-long professional learning, providing and supporting the best available educational evidence based on research and analysis.	Yes, in shaping the national curriculum, quality improvement and supporting local authorities to implement these processes.	Not directly, but Education Scotland is interested in funding colleges and university courses providing relevant skills for the labour market.	Mainly with local authorities, but also works in partnership in some projects with Skills Development Scotland (SDS), the Scottish Funding Council (SFC) and the Scottish Qualification Authority.	The relevant contact people are members of the National Advisory Board for the Young-Adults project in Scotland.
Scottish Funding Council (SFC)	Public	National	SFC is the Scottish funding body for colleges and	Yes, through the funding	Not directly, but the SFC is	Mainly with Colleges and	The relevant contact people are members

			<p>universities in Scotland. It was established by the Further and Higher Education (Scotland) Act 2005. The 8 Colleges and 5 Higher Education institutions in the GCR are funded by SFC through funding agreements that ensure high quality learning and teaching, world-leading research, innovation in the economy and widening access.</p>	<p>agreements with each individual college or university the SFC monitors the quality, content and access to skills formation courses.</p>	<p>interested in funding colleges and university courses providing relevant skills for the labour market.</p>	<p>Universities, but also works in partnership in some projects with Skills Development Scotland (SDS), Education Scotland, the Scottish Qualification Authority and local and regional employers.</p>	<p>of the National Advisory Board for the Young-Adulllt project in Scotland.</p>
<p>Scottish Qualification Authority (SQA)</p>	<p>Public</p>	<p>National</p>	<p>SQA is sponsored by the Scottish Government’s Learning Directorate. It works with schools, colleges, universities and training organisations to develop and deliver the Scottish qualifications and assessments. The organisation has two main roles: accreditation of qualifications and awarding qualifications.</p>	<p>Yes, in ensuring that qualifications accurately reflect learners’ knowledge and skills and provide clear routes to jobs or further study for all actors.</p>	<p>Not directly, but the SQA is interested in providing qualifications relevant to the labour market and meaningful to employers.</p>	<p>Mainly with Colleges and Universities, but also works in partnership in some projects with Skills Development Scotland (SDS), Education Scotland, the Scottish Funding Council and local and regional employers.</p>	<p>The relevant contact people are members of the National Advisory Board for the Young-Adulllt project in Scotland.</p>

<p>Glasgow Chamber of Commerce</p>	<p>Third party organisation</p>	<p>Local - regional</p>	<p>Glasgow Chamber of Commerce is the voice of business in Glasgow. Their main activities are hosting business and networking events that both help business people develop and grow their contact base, training and workforce development to upskill and develop employers and staff, exporting and international trade support, affinity schemes and business solutions to help businesses become more successful, marketing and profiling to members, and campaigning on a local and national level on important policy issues on behalf of members.</p>	<p>Yes, one of their main activities is to provide and/or organise training for employers and their staff.</p>	<p>Not directly, but employers members of the Glasgow Chambers of Commerce are demanding the use of skills at the GCR.</p>	<p>Mainly with local and regional employers, but also with local authorities and Skills Development Scotland (SDS) in partnerships for policies such as Developing the Young Workforce (DYW) in Glasgow.</p>	<p>http://www.glasgowchamberofcommerce.com/ http://www.glasgowchamberofcommerce.com/projects/projects-employabilityskills/</p>
<p>Scottish Union Learning (SUL)</p>	<p>Trade Union, third party organisation, publically funded</p>	<p>National</p>	<p>SUL supports members in accessing skills and lifelong learning opportunities that contribute to collective prosperity, fairness and equality, for workers across Scotland. Their main role is being aware of the existing supply of skills formation and support trade union members in getting the skills formation they want and/or need.</p>	<p>Yes, but not directly providing skills. They support workers in finding suitable skills formation based on their demands.</p>	<p>Not directly, but communicate with employers to support workers' skills needs that might improve employers results.</p>	<p>Scottish Union Learning is part of the Scottish Trade Unions Congress.</p>	<p>http://www.scottishunionlearning.com/ http://www.stuc.org.uk/</p>

Source: authors' elaboration.

Description of institutions involved in the skills system of ACAR

Table 6: Main institutions involved in the skills system of ACAR

Name of the actor/institution and affiliation	Nature of the institution	Level of the institution	Description of the institution (mission)	Involvement in Skills formation	Involvement in Skills use	Relation with other actors/institutions	Other relevant information
City Councils: - Aberdeen City Council - Aberdeenshire Council	Public	Local	Local authorities Education Services main job consists of implementing at the local level the policies formulated by the Scottish Government in relation to Education and Training, from early childhood to adult learning. The main objectives are raising attainment and achievement for all, developing national education policies (e.g. Curriculum for Excellence), meeting the needs of all learners (in particular those with additional support needs), working with partner services to improve further outcomes for children, young people and their families. However, depending on the local authority the education services might be more or less tightly linked with the employment and skills, youth and/or adult learning services.	Yes, in supporting the educational system from early childhood education to adult education.	Not directly, but some local services aim at smoothing the transition from education to work and/or providing relevant skills for the labour market.	The main relationship is with the Scottish Government, but at the local and regional level they are also likely to be involved in partnerships with Skills Development Scotland (SDS) and regional colleges and universities.	http://www.aberdeencity.gov.uk/business_trade/economic_development/EmployabilityandSkills/SkillsandEmployment.asp https://www.aberdeenshire.gov.uk/schools/work-placement-unit/ https://www.aberdeenshire.gov.uk/schools/child/community-learning-and-development-1/
North East Scotland College	Public, financed by the Scottish Funding	Regional, self-governed	Colleges are the main providers of both vocational and general further education in Scotland. Scotland's colleges offer a diverse curriculum - including	Yes, their main mission is skills formation (vocational level, further	Yes, they support apprenticeships as part of most of their courses	Local and regional employers, Universities Scotland and	http://www.nescol.ac.uk/

	Council (SFC)		vocational, further, and higher education - to a diverse range of people and communities.	education and higher education).	in order to smooth the transition from education to work. They usually have contacts with local and regional employers.	Scottish Funding Council. All colleges in Scotland are members of Colleges Scotland, an institution that acts as a collective voice for Scottish colleges, aiming to make the sector valued, recognised and available to all.	
Univerities: - University of Aberdeen - Robert Gordon University Aberdeen - Scotland’s Rural College	Public, funded by the Scottish Funding Council (SFC)	Regional, self-governed	Universities are the main providers of higher education qualifications. Scottish universities vary in their size and shape. While some attract students from all over the world some others are more targeted to providing higher education courses for local and regional young adults.	Yes, their main mission is skills formation (higher education level).	Limited. Although there are some career services and graduate apprenticeships the involvement in the skills use is still very residual. However, universities are interested in providing relevant skills for the labour market.	Local and regional employers, Scottish Funding Council and Colleges Scotland. To a lesser extent with Education Scotland and Scottish Qualification Authority. Most universities in Scotland are members of Universities Scotland, an	https://www.abdn.ac.uk/ http://www.rgu.ac.uk/ https://www.sruc.ac.uk/

						institution that acts as a collective voice for Scottish universities, aiming to promote and defend universities interests.	
Skills Development Scotland (SDS)	Public skills agency from the Scottish Government	National, with regional and local centres	Skills Development Scotland is the national skills body supporting the people and businesses of Scotland to develop and apply their skills. They tackle the demands of the economy and businesses at the regional level and adapt skills formation courses and career guidance to meet these demands.	Yes, especially in providing apprenticeships for young adults and career guidance. SDS is also involved in providing information and direction to adapt skills formation to skills needs from the economy and businesses.	Yes, especially in responding to economy and employers demands. Their main purpose is to fulfil employers' and economy's skills demands.	Colleges, employers, Scottish Government and other government agencies such as Education Scotland, Scottish Funding Council and Scottish Qualification Authority.	Career centres in the Aberdeen City & Aberdeenshire 1 career centre in Aberdeen City 1 career centre in Inverurie 1 career centre in Peterhead
Education Scotland	Public	National	Education Scotland is the national body in Scotland for supporting quality and improvement in learning and teaching. It brings together a number of organisations and teams whose work contributes to key areas of the agency's remit. Some of the main activities are supporting curriculum guidance, providing	Yes, in shaping national curriculum, quality improvement and supporting local authorities to implement these processes.	Not directly, but Education Scotland is interested in funding colleges and university courses providing relevant skills	Mainly with local authorities, but also works in partnership in some projects with Skills Development Scotland (SDS), the Scottish	The relevant contact people are members of the National Advisory Board for the Young-Adults project in Scotland.

			learning and teaching resources, inspection and review for quality improvement, supporting local authorities and learning communities to introduce and embed approaches to promote positive relationships and behaviour, supporting, encouraging and providing resources for career-long professional learning, providing and supporting the best available educational evidence based on research and analysis.		for the labour market.	Funding Council (SFC) and the Scottish Qualification Authority.	
Scottish Funding Council (SFC)	Public	National	SFC is the Scottish funding body for colleges and universities in Scotland. It was established by the Further and Higher Education (Scotland) Act 2005. The 8 Colleges and 5 Higher Education institutions in the GCR are funded by SFC through funding agreements that ensure high quality learning and teaching, world-leading research, innovation in the economy and widening access.	Yes, through then funding agreements with each individual college or university the SFC monitors the quality, content and access to skills formation courses.	Not directly, but the SFC is interested in funding colleges and university courses providing relevant skills for the labour market.	Mainly with Colleges and Universities, but also works in partnership in some projects with Skills Development Scotland (SDS), Education Scotland, the Scottish Qualification Authority and local and regional employers.	The relevant contact people are members of the National Advisory Board for the Young-Adulllt project in Scotland.
Scottish Qualification Authority (SQA)	Public	National	SQA is sponsored by the Scottish Government's Learning Directorate. It works with schools, colleges,	Yes, in ensuring that qualifications accurately	Not directly, but the SQA is interested in providing	Mainly with Colleges and Universities, but also works	The relevant contact people are members of the National Advisory Board for

			universities and training organisations to develop and deliver the Scottish qualifications and assessments. The organisation has two main roles are accreditation of qualifications and awarding qualifications.	reflect learners' knowledge and skills and provide clear routes to jobs or further study for all actors.	qualifications relevant to the labour market and meaningful to employers.	in partnership in some projects with Skills Development Scotland (SDS), Education Scotland, the Scottish Funding Council and local and regional employers.	the Young-Adultllt project in Scotland.
Aberdeen & Grampian Chamber of Commerce	Third party organisation	Local - regional	Aberdeen & Grampian Chamber of Commerce is the North-east's leading business membership organisation and the largest Chamber in Scotland. The institution represents more than 1,250 organisations collectively employing 125,000 people across sectors. Their work is at the local, national and international level. Some of the activities they develop consist in lobbying for business interest, equipping the region with the appropriate workforce and skills and providing research intelligence to develop new businesses and networking.	Yes, one of their main activities is provide consultation and/or organise training for employers and their staff.	Not directly, but employers members of the Aberdeen & Grampian Chambers of Commerce are demanding the use of skills at the ACAR.	Mainly with local and regional employers, but also with local authorities and SDS partnerships for policies such as DYW.	https://www.agcc.co.uk/ https://www.agcc.co.uk/training-skills
Scottish Union Learning (SUL)	Trade Union, third party organisation,	National	SUL supports members in accessing skills and lifelong learning opportunities that contribute to collective	Yes, but not directly providing skills. They support	Not directly, but communicate with employers	Scottish Union Learning is part of the Scottish	http://www.scottishunionlearning.com/

	publically funded		prosperity, fairness and equality, for workers across Scotland. Their main role is being aware of the existing supply of skills formation and support trade union members in getting the skills formation they want and/or need.	workers in finding suitable skills formation based on their demands.	to support workers skills needs that might improve employers results.	Trade Unions Congress.	http://www.stuc.org.uk/
--	-------------------	--	--	--	---	------------------------	---

Source: authors' elaboration.