

**RURAL LAND-BASED SKILLS AUDIT
South Lanarkshire and Scottish Borders**

On behalf of:

Southern Uplands Partnership

by

STEP AHEAD RESEARCH Ltd

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RURAL LAND BASE SKILLS AUDIT

South Lanarkshire & Scottish Borders

Prepared for:

Southern Uplands Partnership

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The views expressed in this report are the views of the authors and do not necessarily reflect those of **Southern Uplands partnership**.

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Executive Summary

Step Ahead Research was commissioned by Southern Uplands Partnership, representing a range of interests, to undertake research into **land-based rural skills** in the Scottish Borders and South Lanarkshire.

The study arose through a perceived need to address the continuity of rural land based skills in the face of a period of dramatic change in rural communities. Restructuring of farming, and farm support measures, and the increased use of the countryside as a leisure resource has raised a number of concerns and issues over whether there is sufficient infrastructure and activity to support the continuation of both traditional and emerging skills relating to countryside use in the area.

The primary **aims** of the study were to:

- Undertake a review of skills issues in specific sectors in the rural areas of the Scottish Borders and South Lanarkshire;
- Test the assumption that there is a consequent need for the development of a “rural apprenticeship” scheme in land-based skills in response to the changing needs of the study area.

THE SECTOR

The study brief defined the sector very broadly, including 17% of the local workforce, for example including construction skills. However, broad data has the potential to disguise what can be happening at a local level.

What the data does tell us is that the Borders as a whole has a much more rural profile, which is reflected in the relatively developed infrastructure to support rural development in the area. On the other hand, the socio-economic structure of South Lanarkshire can tend to disguise the fact that there is a large rural hinterland to the South, which until recently had a less established support network, for example through Leader+. Our interview programme tended to support the view that the rural issues were very similar across the whole study area, with, for example, the role of Biggar as a market town supporting a rural hinterland being very similar to the role of, say, Galashiels.

The Report provides Annexes describing the following sectors in the study area

- Land-based;
- Tourism;
- Construction.

The Table below shows our estimate of total employment within these sub-sectors.

Employment in Target Sectors

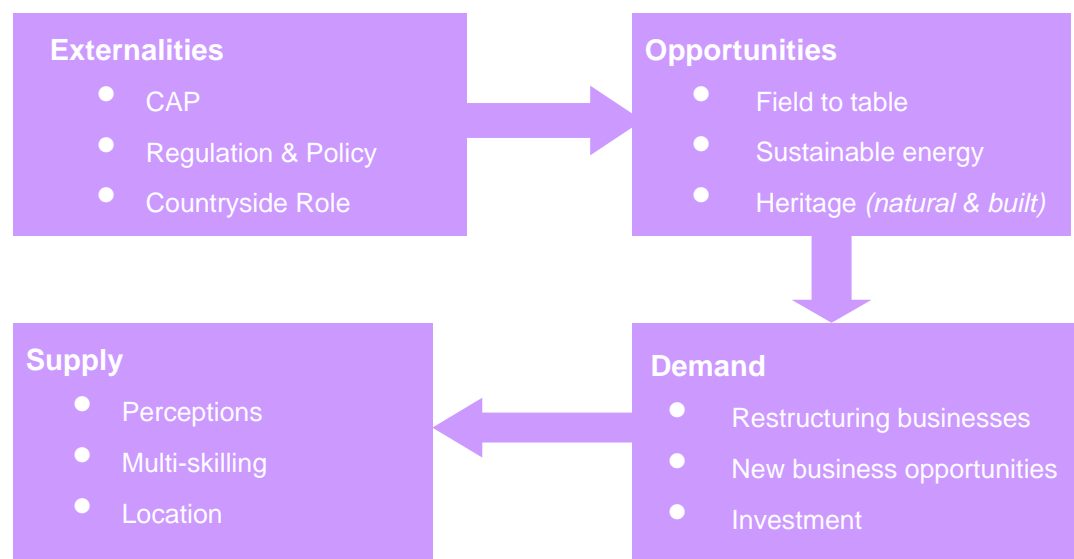
	Scottish Borders	South Lanarkshire	Scotland
Employees			
Land-based	2,600	1,100	36,400
Tourism	2,200	10,000	199,000
Construction	2,600	7,800	126,500
Totals	7,400	18,900	361,900
As % of workforce			
Land-based	6%	1%	2%
Tourism	5%	9%	9%
Construction	6%	7%	5%

Source: Annual Business Inquiry 2004 and Labour Force Survey (rounded to nearest 100)

LINKAGES AND INFLUENCES

Skills development is subject to business needs, and rural activities are no different from others in this regard. The primary driver for workforce development is therefore the requirements of the businesses that will be the users of these skills. In fact, in our discussions with stakeholders in this study, much of the emphasis has been on the way in which skills can be harnessed to business opportunity, or indeed, become the driver of opportunity. This takes the study beyond a simple description of the skills requirements of existing businesses.

Indeed, the relationships between the different factors form a more complex picture, with business opportunities being subject to externalities, such as regulation, or changes in society, which have a direct impact on skills supply and demand. These factors operate on each other in an interconnected way, summarised in the Figure below.



Source: Step Ahead Research

These factors appear to be similar in the rural areas of both South Lanarkshire and the Scottish Borders. The demand for skills is **business-driven**, making the two major factors the impact of CAP reform on countryside management and the development of new business opportunities in rural areas. These externalities and opportunities have a direct impact on the range of skills required in the countryside. In particular, they require a multi-skilled workforce that has a good understanding of environmental issues, as well as specific industry skills.

SKILLS DEMAND AND SUPPLY

In our interview programme, we did not obtain any clear indications of recruitment problems or skill shortages across the skills range covered in the study. Equally, there was no obvious indication of gaps in training provision, although it may be arguable that there is an issue of geographical accessibility. However, this does not necessarily mean that there is no argument for intervention.

Particularly in farming, there may well be a future issue as an ageing multi skilled workforce withdraws from the labour market, and smaller workplaces make it less likely that young people will have the opportunity to learn from colleagues. For example, one interviewee, managing a large area of farmland, noted that the average

age of farmworkers employed by his company was 50, and the youngest 40 years old.

In addition, the range of new skills that will be required in environmental management will require support at local level. However, there is again the issue that businesses need to be willing to pay for this specialist input, and there is limited evidence of a willingness to do so. There is an obvious question over business confidence in the land-based sector, which will need to be strong to support this type of investment.

On the supply side, there is be a desirability/opportunity gap, with people wishing to gain employment in areas where they may have a wider interest, such as nature conservation or equestrian activities, but there being limited opportunities at local level.

The key issues are therefore that of **scale** and **access**, since:

- Few local businesses are either willing or able to provide significant training opportunities in the target sectors;
- There is scope for bringing wider awareness of opportunities into schools in order to encourage a wider range of new entrants into the sector;
- There is a need to link skills development with opportunity.

In particular, **sustainable energy** was seen as a key opportunity sector with potential for development.

CONCLUSIONS & RECOMMENDATIONS

The current study has been driven by perceptions of local need, largely drawn from the experience of CAP reform on the agriculture sector, and the perceived opportunities that will arise from the diversification of rural activities. In recognising this, there is a danger of straying far from the brief, and focusing on the **potential** business opportunities, rather than the **actual** demand for skills. It will undoubtedly be the case that new businesses will develop, and will require a skilled workforce. It is not, however possible with any degree of accuracy to predict where in the study area these will happen, or indeed when they will happen.

The Report concludes that:

- There is potential for the development of a rural apprenticeship “brand” that provides the opportunity for the development of training for young people in a range of skills with more than one employer. There are four potential areas for development:
 - Sustainable energy;
 - Customer service skills for farm to table operations;
 - Environmental and habitat management;
 - Leisure/tourism activities.
- However, there is a need to clarify the contracting and delivery mechanism if it is to be rolled out across the two areas of South Lanarkshire and Scottish Borders;
- There is also a need the upskilling of the existing workforce, through the establishment of short targeted courses on areas of need, such as:
 - Good Agricultural and Environmental Condition (GAEC);
 - Installation of sustainable energy products;
 - “Farm to table”;
 - Business skills for contract workers;
- There is undoubtedly scope to extend the Scottish Progression Award Rural Skills Pilot in the study area. This would help to address the perception that

rural skills are for the less academically able, and also address the Determined to Succeed agenda.

All of these interventions could be delivered under one single initiative. However, there remains work to be done among the stakeholders to clarify management and delivery structures. This will also inform funding mechanisms. The Report recognises the requirement for the development of agreement among the key partners over the means by which any proposed pilot project should be managed, and recommends a critical path to be followed through to implementation.

1.0 INTRODUCTION

This is the **Final Report** of the research into land-based rural skills in the Scottish Borders and South Lanarkshire undertaken for the Southern Uplands Partnership by *Step Ahead Research*.

1.1 The Project

The study arose through a perceived need to address the continuity of rural land based skills in the face of a period of dramatic change in rural communities. Restructuring of farming, and farm support measures, and the increased use of the countryside as a leisure resource has raised a number of concerns and issues over whether there is sufficient infrastructure and activity to support the continuation of both traditional and emerging skills relating to countryside use in the area.

This is reinforced by the further perception that rural areas, especially those in the South of Scotland, suffer from a policy focus on the economic needs of urban centres, where the concentration of opportunities, issues and economies of scale can make interventions more feasible. In addition, the concentration on the role of the City Region in economic development, while understandable in terms of wider impacts, can be perceived as diminishing the importance of development in rural areas, where the levels of activity are much smaller and more dispersed. It is in this context that the study has been commissioned.

Discussions through the Leader+ Local Action Groups in the two areas led to the investigation of the appropriateness of a “rural apprenticeship” scheme that would encourage skills development across a broad range of rural activities, to assist in providing the multi-skilled workforce that will support rural development. This concept was then broadened out to the present study that looks at wider issues in local rural skills development.

In undertaking the study, two significant factors have impacted on the analysis and recommendations, the:

- administrative boundaries of the Scottish Borders and South Lanarkshire have very different profiles, with the urban North of South Lanarkshire distorting the secondary data away from the rural area;
- fact that small scale developments can have a disproportionate impact within rural communities, with one or two beneficiaries in a local community making the difference over whether traditional activities can continue.

The study therefore had to balance the analysis of secondary data with the local level information provided in interview, and details of good practice from elsewhere. In this regard, it is unfortunate that the originally envisaged input from the study stakeholders did not take place, since it would have strengthened the local input, and enabled more detailed testing of approaches and recommendations.

In the event, the recommendations that arise do suggest that there is some scope for the establishment of a rural apprenticeship scheme, although there remains a need for greater clarity over who will have ownership over both the management and delivery of any such programme. This will require further significant stakeholder engagement and participation, and is discussed in the Recommendations section of the Report.

1.2 The Research Question

The study set a number of aims and objectives, in order to review local skills needs and make recommendations on ways in which local partners could address these.

The primary **aims** of the study were to undertake a review of skills issues in specific sectors in the rural areas of the Scottish Borders and South Lanarkshire, and to test the assumption that there is a consequent need for the development of a “rural apprenticeship” scheme in land-based skills in response to the changing needs of the study area.

The sectors defined in the ITT are described in **Figure 1.1** below.

Figure 1.1: Rural Land Based Sectors identified in the ITT

<i>Sector</i>	<i>Skills</i>
Farming	Including diversified businesses.
Countryside Management	Including drystone dyking, hedge laying, fencing.
Nature Conservation	Including habitat creation (ponds, meadows), habitat surveying and monitoring.
Forestry and Woodlands ¹	Including woodland management, tree planting, management, maintenance and harvesting.
Equestrian	Including grooming, breeding and equestrian sports.
Tourism and Sport	Including nature-based tourism, mountain biking, “extreme sports”, ghillieing and game keeping.
Building and Construction	Including stone masonry, building restoration, brick-laying, plumbing and electrics.

While some of these areas, such as hedge laying, are very specific, others, such as diversified farm businesses and building and restoration, cover a wide range of skills issues, and in some cases go well beyond a purely rural focus. The Report has attempted to address the breadth of these issues through an analysis of the secondary data available, and referring back to specific examples arising through interview within the Summary Report. **Annex 7** provides the technical explanation of the ways in which the sectors were derived from the secondary information sources.

Within the broad aims of the study, a set of **objectives** was established. These were to:

- undertake an assessment of the current, and projected future, requirement for rural land-based skills training in South Lanarkshire and the Scottish Borders;
- assess the policy impacts on this provision;
- assess perceptions and aspirations on rural jobs;
- make recommendations on:
 - training and skills supply and demand;
 - awareness raising and promotion.

¹ As there was an ongoing study commissioned by the Forestry Cluster in the South of Scotland, this sector has not been prioritised in the current piece of work. Unfortunately, however, this piece of work has been delayed, and we have consequently been unable to refer to the outputs from this. The consultancy team responsible for the Forestry study have been made aware of this current piece of work, and there is scope for information sharing.

While the Report discusses skills demand, it does not make an attempt to quantify this, since this would not be possible at such local level.

1.3 Process

The process by which the study was undertaken comprised:

- **desk research**, of relevant data and good practice in rural skills development. Much of this has informed the analyses at **Annexes 1 to 4**;
- an **interview programme** with 22 stakeholders and businesses (listed in **Annex 6**);
- consultation with **school children** at a Careers Scotland event in Kelso (summarised in **Annex 7**);
- a **workshop** in March 2006 to which study stakeholders were invited to discuss the emerging themes.

However, the invitation to tender envisaged **17** days of stakeholder input into the study, representing **35%** of the total resources available for the research. Unfortunately, the overwhelming majority of this input was not made available over the study timescale, although all of the named partners have been consulted over the course of the study. As a consequence, the consultancy team, and the study, has not been able to benefit from this input.

In our analysis, we have tried to balance the qualitative information elicited through the interview programme, with the available quantitative analysis of the sector in the area. For more detail of our quantitative assessment, see **Annexes 2 to 4**.

1.4 The Report

For ease of reading, much of the detailed analysis has been placed into Annexes, with the main argument and recommendations being included in this Summary Report.

The remainder of the Report comprises:

- an analysis of the **context** within which the study is undertaken;
- description and discussion of **skills issues** in the key sub-sectors;
- discussion of **recommendations** and **proposals** that the partners could potentially take forward.

The **Annexes** cover:

- a description of the **economic context** in South Lanarkshire and the Scottish Borders;
- a summary of local skills issues in the **land based sector**;
- a summary of local skills issues in **construction**;
- a summary of local skills issues in **tourism**;
- a review of relevant **skills projects** that can inform proposals;
- a list of **consultees**;
- notes from the meetings with **school pupils** at Kelso.

2.0 SKILLS & THE LOCAL ECONOMY

2.1 Introduction

This Section provides a brief summary of the economy and an overview of workforce and skills issues, drawn from secondary data. It aims to provide the broader context within which the study takes place, and highlights some key skills issues that affect the locality.

More detail on the local economy, and analysis broken down by the three key sub-sectors, can be found in **Annexes 1 to 4**.

2.2 Rurality and Population

Using Scottish Executive definitions of rurality, rural areas within the Scottish Borders are home to nearly half of its population (48% or 51,400 people), with 9% living in remote rural areas (9,300 people) and 39% in areas categorised as accessible rural (42,100 people). By comparison, only 12% of South Lanarkshire's population (37,200 people) live in rural areas, with less than 1% living within remote rural areas (approximately 900 people)². Therefore, while the proportion of the Scottish Borders' resident population living in rural areas is significantly higher than the national average (19%), within South Lanarkshire the opposite is true.

However, the Leader+ definition of rurality in South Lanarkshire covers a wider area, encompassing 25% of the total population. This does not affect the analysis of the secondary data in the Report, which is based on figures at Local Authority level.

2.3 Employment

Despite the issues of rurality, the distribution of economic activity broadly follows that of the Scottish average. The only exceptions are a higher level of self employment in the Scottish Borders, and higher levels of sick or disabled people in South Lanarkshire. The former is probably an indicator of rurality, and the latter is likely to mainly relate to the urban North of that authority. It is likely that self employment is higher in South Lanarkshire's Southern rural areas.

Figure 2.1: Economic Activity of 16-74 year olds

	Scottish Borders	South Lanarkshire	Scotland
Economically active	69%	64%	65%
Employees	52%	52%	51%
Self-employed	11%	6%	7%
Unemployed	3%	4%	4%
Full-time student	2%	3%	3%
Economically inactive	31%	36%	35%
Retired	16%	14%	14%
Student	3%	3%	4%
Permanently sick/disabled	5%	9%	7%
Other	8%	9%	9%

Source: Census 2001.

Overall, both of the study areas have experienced employment growth lower than the national average over recent years, with the greatest difference being for the Scottish Borders which grew by only 2% compared to 17% for Scotland as a whole.

² Scottish Executive (2004) Urban Rural Classifications 2003-04, and Office of National Statistics (2001) Census 2001.

An analysis of employment change by sector illustrates that with the exception of public services and agriculture, and forestry and fishing, employment growth performance in each sector differed significantly between the two study areas and Scotland as a whole. The most notable differences are the substantial increases in financial and business services employment experienced in South Lanarkshire (70% and 105% respectively) and employment growth in construction and other services within the Scottish Borders (119% and 84% respectively). While the South Lanarkshire shift is explicable by restructuring and inward investment in the northern part of that authority, the reason for the Shift in Scottish Borders is less, clear, although it comes from a lower base.

This is illustrated in **Figure 2.2**, below.

Figure 2.2: Employment change by sector 1998-2004

	Employment change 1998-2004		
	Scottish Borders	South Lanarkshire	Scotland
Agriculture, forestry & fishing	-8%	-10%	-7%
Manufacturing	-13%	-30%	-28%
Construction	119%	-16%	-28%
Wholesale & retail	-3%	7%	7%
Hotels & restaurants	-56%	18%	7%
Transport, storage & communications	5%	26%	11%
Financial services	-1%	70%	11%
Business Services	25%	105%	25%
Public Services	20%	17%	25%
Other services	84%	8%	17%
Total	2%	10%	17%

Source: Annual Business Inquiry 1998 and 2004.

2.4 Qualifications and Skills

Measuring skill level is not a straightforward task. Qualifications often represent the most suitable proxy for measuring skill level, although it should be borne in mind that, especially in rural sectors, there are many unaccredited skills. **Figure 2.3** shows the broad skill levels of the working age populations of the two study areas and Scotland as a whole.

Figure 2.3 Broad skill level of population aged 16-74

	Scottish Borders	South Lanarkshire	Scotland
Low	59%	61%	61%
Intermediate	21%	23%	19%
High	21%	16%	19%

Source: Census 2001.

Note: Low - No qualifications and Level 1; Intermediate - Level 2 & 3; High – Level 4+³.

The notable difference between the study areas is that a higher proportion of the working age population of the Scottish Borders has higher level qualifications compared with both South Lanarkshire and the national average.

³ Level 1: 'O' Grade, Standard grade, GCSE, CSE etc, GSVQ/ SVQ Level 1 or 2, SCOTVEC module etc; Level 2: Higher grade, CSYS, 'A' level etc, GSVQ/ SVQ Level 3, ONC, OND etc; Level 3: HNC, HND, SVQ level 4 or 5 etc.

At a Scottish level, it is possible to illustrate employer assessment of “real” skills, rather than simply qualifications. **Figure 2.4** over shows, for the land based and environmental sectors, that the perceived gap in the existing workforce is very much focused on technical and practical skills. This has some implications for the training and support available to the existing workforce as well as new entrants, and suggests some scope for initiatives in this area.

Figure 2.4: Skills Lacking in Employees with Skill Gaps

	Land based and environmental	All other industries
Technical and practical skills	57%	37%
Problem solving skills	48%	49%
Team working skills	48%	49%
Planning and organisation	43%	53%
Oral communication skills	41%	44%

Source: Futureskills Scotland (2005) *Land-based and Environmental – Scottish Sector Profile 2005*.

Note: The above figure displays national level data.

Data from Scottish Enterprise (**Figure 2.5**) does, however, show that existing accredited training in the area is at a relatively low level, with only 161 people in training over a three year period, resulting in only a 45% achievement rate over that time.

This could be for a number of reasons. Firstly, some of the trainees will just be starting their training, and will not have yet made any achievements, although this should be balanced out by earlier pre-2003/4 cohorts who should have attained their achievements. It is more likely that there has been a relatively high drop-out rate from the training, with over half failing to achieve their qualifications, although it could also point to individuals taking up other employment before achieving their qualification.

While the reasons for failure to complete are unknown, it is possible to speculate that it may be a reflection of low levels of pre-existing academic achievement by trainees, a factor noted by a number of interviewees. For example, a College pointed to a recent need to introduce a Level 1 qualification in this sector, since many trainees were facing difficulties at Level 2.

At the very least, the data points to difficulties in retaining people in training in this sector.

Figure 2.5: Nature/Land Based Industries Training Enrolments and Achievements 2003/4-2005/6

	Skills level	
	SVQ2	SVQ3
In Training	119	42
Achievements	53	19
Achievements as % Training	45%	45%

Source: Scottish Enterprise Borders and Lanarkshire training records

For those that do complete training, the outcome is mixed. For example, of the 14 graduates of land-based apprenticeships in Borders College last year, **eight** went on to employment.

2.5 The Target Sector

Using the definitions described in **Section 1.4** above, **Figure 2.6**, below, provides an indication of the employment levels within the target sector in the two areas.

Figure 2.6 Employment in Target Sector

	Scottish Borders	South Lanarkshire	Scotland
Employees			
Land-based	2,600	1,100	36,400
Tourism	2,200	10,000	199,000
Construction	2,600	7,800	126,500
Totals	7,400	18,900	361,900
As % of workforce			
Land-based	6%	1%	2%
Tourism	5%	9%	9%
Construction	6%	7%	5%

Source: Annual Business Inquiry 2004 and LFS

While the figures show that the sectors vary in size between the two areas, they also hide some detail. For example, the scale of activities in rural areas is, in general, very small, and it is likely that the significant Tourism employment in South Lanarkshire is concentrated in the urban North, for example in the hotels sector. The same is likely to be the case in Construction.

In addition, there is a perception that activity based tourism will be a significant generator of employment in the locality. However, analysis of the data available from the ABI suggests that there is currently limited employment in this sector in the Region. **Figure 2.7** below indicates that, especially in the Borders, the workforce in this sub-sector is extremely limited. Additionally, it is likely that much of the employment shown for South Lanarkshire will be based in the more urban areas of the authority.

Overall, Futureskills Scotland estimates that the Active Leisure and Learning Sector only accounts for 1% of all employment, most of it part-time⁴.

Figure 2.7 Employment in SIC 92.62 (Sports, etc., activity)

	Scottish Borders	South Lanarkshire
Employee	251	1,926
Self employed	21	158
Total workforce	272	2,084

Source: Annual Business Inquiry 2004

While it is possible, and indeed likely, that opportunities in this area will grow, it is starting from a low base, and many of the businesses that do exist are small scale, and often at an early stage. Overall, the value of Scottish Activity Tourism in 2003 was an estimated £616m⁵, with a view that it is an expanding market.

In addition, a recent study by the RSPB⁶ highlighted the major contribution made by bird watching of large species, attracting additional visitors to rural areas.

⁴ Futureskills Scotland (2005) Active Leisure and Learning Scottish Sector Profile

⁵ Northern Ireland Tourist board Activity Tourism Report
<http://www.nitb.com/article.aspx?ArticleID=1284> (accessed 16 April 2006)

⁶ <http://www.rspb.org.uk/birds/spectacular.asp> (accessed 23 April 2006)

It may be worthwhile further investigating what, and where, any opportunities in this area may arise at a very local level, although the training and development opportunities are likely to be limited. This can build on local studies already completed, such as the SUP work on equestrian tourism.

Additional consideration needs to be given to potential growth sectors. For example, although outside the initial scope of this study, **renewable energy** is likely to be a growth sector, creating employment across a range of activities, from installation to generation. This is addressed later in the Report.

2.6 Conclusion

In a sector as broadly defined in this study, including 17% of the local workforce, there is clearly a wide range of issues that will impact on skills needs. However, broad data has the potential to disguise what can be happening at a local level.

The difference between the two areas is accounted for by the impact of the urban North of South Lanarkshire, which is densely populated, and has a significant range of industrial and other employment. This distorts comparison, and tends to reinforce the view that activity is at very small scale in the rural areas.

What the data does tell us is that the Borders as a whole has a much more rural profile, which is reflected in the relatively developed infrastructure to support rural development in the area. On the other hand, the socio-economic structure of South Lanarkshire can tend to disguise the fact that there is a large rural hinterland to the South, which until recently had a less established support network, for example through Leader+. Our interview programme tended to support the view that the rural issues were very similar across the whole study area, with, for example, the role of Biggar as a market town supporting a rural hinterland being very similar to the role of, say, Galashiels.

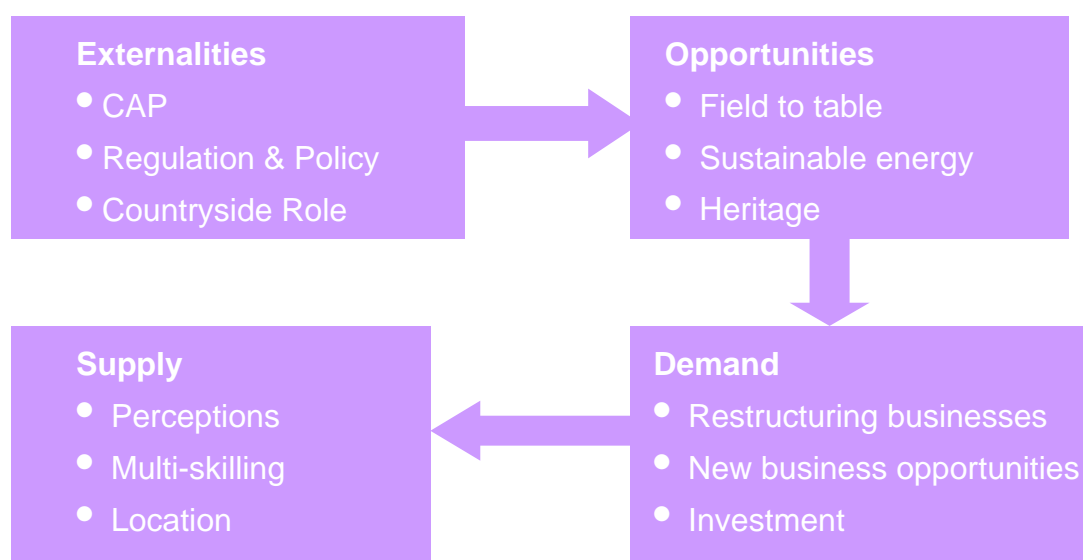
3.0 CONTEXT

3.1 Issues

Skills development is subject to business needs, and rural activities are no different from others in this regard. The primary driver for workforce development is therefore the requirements of the businesses that will be the users of these skills. In fact, in our discussions with stakeholders in this study, much of the emphasis has been on the way in which skills can be harnessed to business opportunity, or indeed, become the driver of opportunity. This takes the study beyond a simple description of the skills requirements of existing businesses.

Indeed, the relationships between the different factors form a more complex picture, with business opportunities being subject to externalities, such as regulation, or changes in society, which have a direct impact on skills supply and demand.

These factors operate on each other in an interconnected way, summarised in **Figure 3.1**, below, and are described in more detail in the remainder of this Section.



Source: Step Ahead Research

3.2 Externalities

3.2.1 European Legislation and Policy

Common Agricultural Policy (CAP) Reform

The CAP is a system of subsidies paid to farmers in order to guarantee a minimum level of indigenous food production, which has long underpinned the activities of the EU. CAP payments account for nearly half of the EU budget, and have a significant impact on the ways in which farming is practiced. In fact, one interviewee estimated that 6 in every 7 local farms would not be viable without this support.

The June 2003 CAP reform agreement outlined a new system where payments will begin to be separated from production (known as 'decoupling').

It is intended that decoupling will remove some of the incentives for over production that existed previously, and encourage greater use of land for agri-environmental schemes, on the principle of land being kept in “good agricultural and environmental condition” (GAEC). Environmentally friendly farming practices are to be better acknowledged and rewarded under the new CAP payments system⁷, with a reinforcing of rural development funding to boost quality production, environmental protection, food safety and animal welfare⁸.

Scotland is currently piloting a new method for the decoupling of farm support, using “Land Management Contracts” (LMC). This system of support involves the contracting of farmers to deliver a range of economic, social and environmental benefits in return for support payments. This will have a significant impact on the way in which rural land is managed, widening the focus from food production to a much larger range of activities. This clearly has an impact on skills needs.

EU Rural Development Regulation

New Rural Development Regulation (RDR) on rural development support through the European Agricultural Fund for Rural Development (EAFRD) has simplified and broadened the scope of EAFRD. Support has been simplified by reducing the number of programmes and financial mechanisms into a single framework.

In addition new policies have sought to broaden the scope of EAFRD by addressing the innovation and restructuring needs of both farming and forestry, while improving environmental protection⁹ broadened and simplified support. The ‘three axes’ or strategic priorities which EAFRD will be used to improve the:

- competitiveness of agriculture and forestry by supporting restructuring, development and innovation;
- environment and the countryside by supporting land management;
- quality of life in rural areas and to encourage the diversification of economic activity.

The Leader approach to rural development is an additional overarching theme that contributes to these objectives. In part, this means that a minimum of 5% of total spend under the new EAFRD is required to be delivered via the bottom up decision making approach of the Leader method¹⁰. The Leader approach is therefore increasingly seen as an effective model for small-scale, community led interventions that can make a difference in rural areas. Indeed, earlier evaluations of the Programme at National and EU levels¹¹ have highlighted the validity of the approach in mobilising local resources and achieving relevant outcomes.

A core requirement of the new Rural Development Regulation is that each member state must submit a National Strategic Plan or rural development strategy to guide the future distribution of European funds and identify how rural development support will be implemented. Each nation within the UK is currently preparing their individual plans which will subsequently be brought together into a UK National Strategic Plan.

⁷ <http://www.defra.gov.uk> (accessed 10 Jan 2006)

⁸ Sustainable Agriculture and the Global Food Economy in the United Kingdom: Going Against the Grain? <http://casestudies.lead.org> (accessed 30 November 2005)

⁹ <http://www.europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/766&format=HTML&aged=0&language=EN&guiLanguage=en> (accessed on 2 March 2006).

¹⁰ Council of the European Union (2005) Council Regulation (EC) No 1698/2005 of 20 September 2005 on Support for Rural Development by the European Agricultural Fund for Rural Development (EAFRD).

¹¹ For example http://europa.eu.int/comm/agriculture/eval/reports/leader2/index_en.htm (accessed 31 January 2006)

3.2.2 National Legislation and Policy

Scottish Rural Development Strategy

The Scottish Executive has recently released a consultation paper¹² proposing a number of key themes and priorities for the Scottish Rural Development Strategy (SRDS). The document outlines three proposed themes for the SRDS that reflect the EU axes while addressing specific challenges and priorities within rural Scotland. The three themes are set out below:

- underpinning performance and quality in the agriculture, food processing and forestry sectors;
- enhancing rural landscapes and the natural heritage;
- promoting a more diverse rural economy and thriving rural communities.

Undertaking and fulfilling the activities required to achieve these outcomes and priorities will require significant skills and training development, the addressing of gaps in current skills provision and non-mainstream and improved services provision.

Forward Strategy for Scottish Agriculture

The Scottish Executive Environment and Rural Affairs Department (SEERAD) identifies rural skills development as a key priority within its Forward Strategy for Scottish Agriculture¹³ by stressing a need to attract young people and ensure expertise and skills within the sector are kept up to date with developments. In particular the Strategy highlights the following areas for action:

- to look at how the industry can make better use of the New Deal Jobs Option and Modern Apprenticeships to bring people into the industry and offer them the right training;
- to look at how the industry can work with Careers Scotland to improve promotion of the sector as a worthwhile career to young people.

The Scottish Executive has subsequently published a National Strategy for Farm Business Advice and Skills¹⁴ to take forward these aspects within the Forward Strategy which relate to learning and skills.

3.2.3 Countryside Role

Traditionally, farming and resources management have been the staples of countryside economic activity. However, changing economic realities mean that this is less significant than before. For example, land based employment in South Lanarkshire represents only 1% of the workforce, and policy and structural shifts have led to a very different employment structure in the remaining rural workforce.

One of the most significant impacts has been the growing importance of rural areas as residential feeders for the urban centres. This has a number of impacts, not least on the availability and affordability of housing for workers in what are often low-paid sectors.

For example, **Table 3.1**, over, shows the shift in house prices over the past 10 years in the target areas. While this cost inflation is by no means unique, it does impact on who is able to undertake rural jobs, with, for example, there being a recent trend towards the use of migrant, seasonal workers, often from the new EU accession states.

¹² Natural Scotland & Scottish Executive (2006) Rural Development Programme for Scotland 2007-13: The Strategic Plan.

¹³ Scottish Executive (2001) A Forward Strategy for Scottish Agriculture.

¹⁴ Scottish Executive (2003) A National Strategy for Farm Business Advice and Skills.

Table 3.1: House Prices in South Lanarkshire & Scottish Borders

Area	Average Price		% change
	1996	2006	
South Lanarkshire	52,833	125,517	138%
Scottish Borders	66,887	145,455	117%

Source: Bank of Scotland Regional House Price Survey (2006)¹⁵

In addition, the countryside is increasingly seen as a leisure resource, rather than food production area, servicing the needs of a wider, non-resident, community. This both creates opportunities for economic diversification, discussed below, and changes the nature of countryside management.

3.3 Opportunities

In the course of the desk research and stakeholder interviews, a number of potential opportunities for additional economic activities were discussed. In certain areas, however, such as farm diversification, the dangers of a significant number of new entrants to limited markets have to be recognised, with one interviewee noting the problems that can be created by “*everyone diversifying in the same direction*”, saturating niche markets, such as bed and breakfasts or golf ranges. However, there are undoubtedly wider opportunities as well as other market niches to be exploited.

3.3.1 Field to Table

A key agriculture-related development is that of growers taking their own produce to market, or “field to table”. Linked with the growth of Farmers’ Markets, this takes into account growing interest by the public in the provenance of food, and enables the producer to retain a greater proportion of financial returns up the value chain. It does, however, require significant additional infrastructure and skillsets.

One interviewee pointed to a need for skills diversity in order to make this approach work, for example requiring a butcher to prepare meat for sale at a farm shop, or needing staff who were as capable of managing stock and driving forklifts as dealing directly with customers. These particular skills, and range of skills, are not always available at a local level, and can prove problematic to buy in.

3.3.2 Sustainable Energy

There is now major interest in the extent to which renewable energy sources can be developed. In the countryside, this can often mean the development of biomass and wind power, although in the latter case there are limited local employment opportunities, and often heated local debate over environmental impact.

Direct links to agriculture do, however, exist. For example, the proposed new biomass power station at Lockerbie¹⁶, in neighbouring Dumfries and Galloway, is expected to use 220,000 tonnes of fuel every year from the local area, with a proposed 45,000 tonnes coming from willow trees harvested by farmers, indicates the potential scale of these activities.

¹⁵ <http://www.hbosplc.com/economy/includes/14-04-06BOSRegionalHousePriceSurvey.doc> (accessed 16 April 2006)

¹⁶ Black E (Thu 13 Oct 2005) ‘Wood-fuelled power station to be UK’s first’ <http://news.scotsman.com/uk.cfm?id=2080382005> (accessed 16 April 2006)

However, despite some of the large estates, such as Buccleuch, seeking markets for biomass, there remain problems of scale of demand, and even this could be undermined by cheaper imports of woodchip from Scandinavian and Baltic countries.

Again, a number of interviewees pointed to the opportunities that could potentially be created through a range of renewables development projects. However, there are at present only a limited number of activities to draw upon, and development on any scale will require significant investment. This does not necessarily mean that such an approach would be inappropriate, simply that it will require much more than skills development.

One possible avenue for development could be linkage with the Energy Technology Centre in urban South Lanarkshire, which will provide a basis of technical expertise upon which relevant skills could be developed in the rural areas of the authority.

3.3.3 Heritage

“Heritage” is used here to describe the natural, built and historic environment, which can both provide significant economic impacts.

Built Heritage

There is an acknowledged skills shortage in specialist, traditional building skills, including masonry and liming. This is exacerbated by the fact that most businesses in this field are very small, and do not have a developed training infrastructure. There have been a number of national initiatives to address this, including the proposed Scottish Traditional Skills Training Centre in Fyvie in Aberdeenshire¹⁷, and the Heritage Lottery Funds bursaries¹⁸. More details of these schemes can be found in **Annex 5**.

However, this shortage does not appear to be driven by the potential supply. One interviewee reported that there were 130 applicants for one apprenticeship place in historic building maintenance at Melrose Abbey. It therefore suggests that the bottleneck, if one exists, is in the resources available to the owners of these buildings, rather than people willing to undertake the work.

The poor fabric of many historic buildings in the local area, was mentioned at an interview, suggesting a need for an improvement programme, which could provide work. However, it was unclear where the resources to undertake such a task would come from, as the primary restraint on development appears to be inability or unwillingness to invest by the owners, rather than a shortage of people capable of undertaking the job. The main driver for any such involvement is more likely to be public bodies such as the National Trust for Scotland for work on its own properties, which is currently a lead beneficiary of the Heritage Lottery bursaries.

Natural Heritage

The natural heritage of the area is extremely rich, and has historically been relatively underexploited, having been previously perceived as a “by pass” area for South-North tourism. It is widely acknowledged that there is significant scope for the development of the tourism product in the area.

¹⁷ www.nts.org.uk/web/site/home/press/royalvisittoFyvie (accessed on 6/12/2005)

¹⁸ Historic Scotland (2006) Historic Scotland secures landmark lottery cash to help defuse Scotland's skills shortage time-bomb, <http://www.historic-scotland.gov.uk> (accessed on 19/1/06).

The environment is seen as particularly appropriate for activity tourism, with the Southern Uplands Partnership itself having undertaken a study into equestrian tourism, and the major off-road cycling attraction, Seven Stanes¹⁹, having a major presence in the Scottish Borders. This has spawned development projects, such as the Scottish Borders Youth Forum project which takes 10 trainees in accredited training in outdoor activities in mountain biking and sailing. However, it could be argued that this project is seeking to meet social inclusion, rather than economic, objectives.

In terms of skills, the impact of these initiatives is less clear. Interviewees reported no shortage of people wishing to take up equestrian or ghillie skills, a finding confirmed by our interviews with young people. In addition, the provision of training in these areas appeared to be adequate for those wishing to enter the sector. The issue appears to be one of demand, rather than supply, requiring the development of the business base. There is no evidence, for example, of potential new activity tourism businesses failing to develop or thrive due to skills shortages.

In support roles, such as restaurants and hotels where most tourism economic benefit accrues, there is evidence of young people not viewing these activities as high status or skilled jobs, and again of migrants from other parts of the EU filling locally unwanted vacancies.

Historic Heritage

The area has a large number of historic sites, although these are arguably less developed than many other Regions.

There is a limited number of local visitor attractions with direct reference to rural issues, although there is the joint National Museums of Scotland/National Trust for Scotland Museum of Scottish Country Life in Kitchside²⁰, which provides a historic context for rural pursuits and an example of a working farm. The Museum also has a significant educational programme related to the National curriculum, that links former farming practices to modern issues, particularly environmental sciences.

3.4 Demand

3.4.1 Restructuring Businesses

It has been noted that the countryside, and land use, is still undergoing long-term restructuring. In a period of uncertainty and change, there is often a disincentive to invest in training. Especially in farming, which has the greatest impact on rural land use, development is typified by a:

- family-based core workforce;
- small number of regular contractors or workers, often as few as one, or even less than a full-time equivalent;
- seasonal contract workforce, often brought in from well outside the locality.

These factors tend to mean that responsibility for training often lies with the individuals involved, rather than the business. They also mean that farmers have limited time for supervision of trainees, further limiting the availability of training places. It also means that, as a family-run business, there are limited advancement opportunities for employees.

¹⁹ <http://www.sevenstanes.gov.uk> (accessed on 14 March 2006)

²⁰ <http://www.nms.ac.uk/country/home/index.asp> (accessed 16 January 2006)

In parts of the sector with a more concentrated workforce, such as forestry, there is some evidence of a need for replacement demand for an ageing workforce, and a need for people with generic skills, such as planting or fencing, rather than high level skills.

However, the Borders Machinery Ring training project (see **Annex 5**) provides a useful model for “sharing” trainees across businesses, in order that some of these difficulties are overcome. This is discussed later in the Report.

3.4.2 New Business Opportunities

Some of the opportunities identified in the course of the consultation have been described above. However, the development of skills of themselves will not create businesses, although new enterprises will often need new skills bases.

It has to be recognised that a significant number of rural land-based jobs are in demand by new entrants. For example, equine care, and nature conservation, to name two, are popular voluntary activities as well as paid employment. The same cannot be said for many other occupations, and can have the effect of suppressing wage levels.

This also means that there is a relatively large group of aspiring employees for what is a limited market. For example, there are undoubtedly many people who would like to make their living through mountain biking. However, this does not mean that there are opportunities for them all.

One interviewee referred to a Scottish Natural Heritage project that provided people with some of the skills to undertake local environmental audits. With a high take-up rate, it was clear that there were not enough opportunities in this field to provide employment for the trainees. It could be argued that providing people with useful skills is positive, but any such initiative needs to make this explicit to participants at the outset, in order to avoid raising expectations of future employment.

Any policies to address skills development in these areas therefore have to be rooted in a recognition of the relative small scale of the current market, although it must be acknowledged that some of these sectors are expected to grow. This issue is discussed further in the following Section.

3.4.3 Investment

Investment, not only in skills, is a key issue for rural businesses. We came across some reluctance of employers to invest either money or time in training. In part, this was because of the pressures faced by small, often family-run, businesses. However, it may also be a reflection of the value put on experience, rather than qualifications. In the words of a recent Sector Skills Development Agency publication *“many employers do not share the passion for qualifications that is a hallmark of national policy makers’ thinking about (vocational education and training).”*²¹

3.5 Supply

3.5.1 Perceptions

For young people, the issue is not so much the perception of countryside employment, as a realistic assessment of the scale of opportunities. Indeed, a significant number expressed a desire to work in rural occupations, but realised that opportunities were limited. These individuals generally had family experience of working in this area, and there is also a significant gender imbalance, with boys being

²¹ Keep E (2006) Market Failure in Skills SSDA Catalyst Issue 1 Leeds

more interested than girls. A summary of the perceptions of young people from the Kelso meetings is provided at **Annex 7**.

In contrast, stakeholders were more likely to be of the opinion that young people would not want rural occupations. In part, this was due to general opinions about the skills levels of schoolleavers attracted to the sector, and a view that careers advisors and school teachers point the less academically able students to this career choice. This suggests that perceptions need to be addressed within the employer base, as well as advisers and potential new entrants to the labour market.

For many young people it is equally the case that the countryside is seen as lacking in facilities, especially social facilities, and urban areas are seen as providing more opportunity. This unsurprising finding is not restricted to the study area, and represents a long term historic development.

The Breadalbane SPA Pilot (see **Annex 5**) suggests an approach that could be used to involve young people in school with rural activities, as well as address any perceived stigma that rural employment is for the less academically able. Equally, neighbouring Barony College has a “Rural Skills for Work” course in collaboration with Buccleuch Estates, linked to the Scottish Executive’s Determined to Succeed agenda, that aims to link education with enterprise and employment. Both of these activities provide models for potential development that are discussed in the Recommendations Section.

3.5.2 Multi-Skilling

An important issue is the range of skills sought by employers for relatively low wages. This contrasts with, for example, the higher wages available in the public sector, in many cases for undertaking a much more restricted range of tasks.

In farming and related activities these were traditionally acquired in a non-accredited way over time, learning from workmates and experience. This would mean that an individual would be capable of stock management, vehicle maintenance, building and fencing tasks, as well as land management. This wide range of skills was and is often undertaken for relatively low wages, and with an ageing workforce in the sector, could be in danger of disappearing. The current low levels of employment in farming make this multi-skilled workforce all the more key to survival, especially with the additional land management responsibilities coming through the GAEC requirement. However, an interviewee noted that a small number of self employed drystane dykers and hedgers had developed over the past few years to meet some of these needs.

Construction skills are a special case, since the local sector is perceived as being buoyant, especially in the Borders. Extensive building projects, such as large scale public sector PFI contracts, and growth in housing developments, has created high demand for building skills, although it is suggested that the small companies which dominate the sector in the area do not invest in training.

There are initiatives across the area in helping to introduce young people into construction skills at entry level, and short courses have been supported for land based workers in order that they can obtain work in the construction industry out of season.

In this context, one issue that was raised was the need to harmonise skills accreditation, with, for example, the Lantra standards for digger drivers being different from the CITB standards. With the increased monitoring of skills in construction under the Construction Skills Certification Scheme, this has the potential to effectively shut off opportunity to land-based workers.

3.5.3 Location

By definition, rural areas are less accessible than urban areas. Public transport links are often poor, especially between rural areas, as opposed to links into urban centres. This can limit access to both employment and training opportunities, placing a premium on localised, work-based training, as participants often have to travel long distances to access local colleges. One interviewee pointed to a need for some type of peripatetic training facility, although it is not clear what skills in particular could and should be covered in such an approach.

In employment terms, transport was especially seen to be an issue in forestry, which, by definition, takes place in remote areas, requiring reliable personal transport for access to work.

3.6 Conclusion

Given the wide range of rural land based skills addressed in this study, and the dynamic nature of developments in the countryside, the picture is necessarily complex. A wide range of factors impact on skills needs in the area.

These factors appear to be similar in the rural areas of both South Lanarkshire and the Scottish Borders. The demand for skills is **business-driven**, making the two major factors the impact of CAP reform on countryside management and the development of new business opportunities in rural areas. These externalities and opportunities have a direct impact on the range of skills required in the countryside. In particular, they require a multi-skilled workforce that has a good understanding of environmental issues, as well as specific industry skills.

In our interview programme, we did not obtain any clear indications of recruitment problems or skill shortages across the skills range covered in the study. Equally, there was no obvious indication of gaps in training provision, although it may be arguable that there is an issue of geographical accessibility. However, this does not necessarily mean that there is no argument for intervention.

Particularly in farming, there may well be a future issue as an ageing multi skilled workforce withdraws from the labour market, and smaller workplaces make it less likely that young people will have the opportunity to learn from colleagues. For example, one interviewee, managing a large area of farmland, noted that the average age of farmworkers employed by his company was 50, and the youngest 40 years old.

In addition, the range of new skills that will be required in environmental management will require support at local level. However, there is again the issue that businesses need to be willing to pay for this specialist input, and there is limited evidence of a willingness to do so. There is an obvious question over business confidence in the land-based sector, which will need to be strong to support this type of investment.

On the supply side, there is be a desirability/opportunity gap, with people wishing to gain employment in areas where they may have a wider interest, such as nature conservation or equestrian activities, but there being limited opportunities at local level.

Overall, the findings do not provide strong evidence for demand for a new rural apprenticeship scheme, although they provide some support for the development of very localised and targeted activities, in many cases building on existing initiatives, as well as using existing programmes to widen access.

The key issues are therefore that of **scale** and **access**, since:

- few local businesses are either willing or able to provide significant training opportunities in the target sectors;
- there is scope for bringing wider awareness of opportunities into schools in order to encourage a wider range of new entrants into the sector;
- there is a need to link skills development with opportunity.

4.0 RECOMMENDATIONS

4.1 Introduction

There is no single skills intervention that will address the wide range of issues identified in this research. Rural land-based skills will be developed within a complex and constantly evolving landscape, with some, such as roof thatching, disappearing due to lack of demand, and others, such as environmental management, developing in response to policy initiatives.

The current study has been driven by perceptions of local need, largely drawn from the experience of CAP reform on the agriculture sector, and the perceived opportunities that will arise from the diversification of rural activities. In recognising this, there is a danger of straying far from the brief, and focusing on the **potential** business opportunities, rather than the **actual** demand for skills. It will undoubtedly be the case that new businesses will develop, and will require a skilled workforce. It is not, however possible with any degree of accuracy to predict where in the study area these will happen, or indeed when they will happen.

The Apprenticeship concept that initially launched the Research was focused on the recognition that there is a new range of skills needed within the countryside to meet the developing policy environment, and at a very localised level, these are not always available. To this should be added the small scale of existing businesses, with owner/managers who do not always have access to the resources, specifically time, to support trainees.

There are clearly models from elsewhere, notably in the National Parks (see **Annex 5**) that could be built on, and the experience of the BMR project provides a local reference point as to how co-operative working practices can provide the scale to enable some level of training provision and delivery. These models do not, however, overcome the fundamental requirement of business confidence and demand for intervention.

In making recommendations, the key word is **sustainability**. The need for rural land based skills is inextricably linked to sustainability of communities, the environment and employment. This implies that any moves towards addressing skills issues are part of a coherent policy whole that encompasses business development and opportunity. While this falls outside the current brief, there is a necessity to consider any recommendations in that light, and there is an economic development task to be undertaken that addresses this. Primarily this will fall to the Farm Business Diversification Scheme, and to initiatives supported through Leader+ at a local level.

Our recommendations therefore address:

- training and skills supply and demand;
- awareness raising and promotion.

4.2 A Rural Apprenticeship?

In one sense, the model for a rural apprenticeship the already exists in the BMR Project, although this is very focused on farming. This experience has highlighted both the benefits of collaborative working, and issues about supply and demand. For example, the Project has had to face issues both of young peoples' and businesses' willingness to participate, and there are significant financial considerations. The level of public subsidy expectation in this case may be in excess of what can be provided within existing frameworks.

There is an additional question of how broadly it should be attempted to spread the skills level. Accredited skills have relevance to particular trades, and it is unrealistic to expect a young person to become a trained construction/farming/tourism/environmental/etc. worker on a Level 2 training course. There is therefore a requirement for focus on specific skills within any apprenticeship that needs to be sufficiently flexible to meet the needs of a number of business participants, yet provide the experience and skills to the participant.

One potential approach is to envisage the “rural apprenticeship” as an approach, or “**brand**” rather than specific skillset development. For example, collaboration with local training providers and employers could ensure that there were a range of opportunities, including:

- “field to table” activities;
- sustainable energy;
- traditional building.

Sustainable energy has the potential to provide particular opportunities, ranging from the development and installation of products such as household wind turbines or solar panels, to working on biofuel production. While this marketplace has yet to develop, it is clear that there will be extensive opportunities, and presents itself as an obvious opportunity for pilot training activities.

This will, however, require a pool of local employers that are both willing and able to make the resources available to support the project, as well as the local infrastructure to accredit and support the training. With funding, the latter will certainly be available – the development of the employer pool may well take more working up. Any such project will of necessity be small scale, with a focus on work based learning, in order to address issues of distance and access.

The absence of external drivers, such as a National Park which has provided the impetus elsewhere, has the potential to hamper co-ordination, and the local example that provides a basis for the multi-employer apprenticeship approach is limited to the Borders. However, there may be scope for developing a wider network, and the SAC has indicated some willingness to participate in a viable scheme.

There remains an open question over how the brand could be funded, as it is likely to require more support than standard national training costs. If the brand is seen as a pilot for development, there may be some scope for leverage of public funding.

While the focus of the current study has been Scottish Borders and South Lanarkshire, there is no “natural” link between the areas that fit with any other organisational boundaries. This could be addressed by either:

- developing the activity as a joint project between the two Leader+ Local Action Groups, fitting with the slightly different focuses of their business plans;
- expanding the scheme to cover the whole Southern Uplands area, although this is likely to be too unwieldy an area, with no obvious co-ordinating body (on the assumption that SUP does not have the capacity and willingness to manage the delivery of a project of this type).

In the process of finalising this Report, it will therefore be necessary to both agree the geographical level of any pilot, and what organisations would be most appropriate to take the brand forward. On the basis of the consultation already undertaken, there is an argument for having a core manager of the pilot, and a number of sub-sector specific delivery bodies. These could be geographically structured to match the

priorities of the LAGs, with, for example South Lanarkshire focusing on capitalising on natural and cultural heritage and Scottish Borders on land, wood and water.

4.3 Other Interventions

4.3.1 Reskilling

Apprenticeship models presume that the target group is new entrants to the labour market. There is another group, of existing workers in the sector, who could benefit from extending or upgrading skills, in particular relating to GAEC priorities.

There is a strong business argument to assist in the development of appropriate skills among the existing rural workforce, and to encourage the exploitation of opportunities in contracting or relevant businesses. This could include:

- customer service skills for farm to table operations;
- environmental and habitat management;
- leisure/tourism activities.

In addition, with the increased number of contract workers, there will be a requirement for business skills, such as accounting and client relationship management, in order that individuals can effectively manage working for a number of “employers”.

As has already been noted, the market has responded with the development of additional sub contractors in hedging and fencing. It is less clear whether a market has yet developed in habitat conservation, beyond the activities of publicly funded bodies, or charities, such as the Scottish Wildlife Trust.

Finally, there will be a requirement for training support and accreditation of skills of migrant workers, who now play a significant role in seasonal working in rural areas. This could also encompass English as a second language (ESOL) support.

A training infrastructure does exist to support all of this activity. What does not necessarily exist is either:

- broader awareness of the opportunities among the workforce;
- the financial support for individuals to undertake this training.

There is therefore scope for work with the SEERAD and Business Gateway to promote potential opportunities for the rural workforce to reorientate skills to service the new realities in the countryside. This could be linked into business networks within local communities, and to public development priorities in countryside development.

The lead for this activity is more problematic to define, as it requires activity at a very local level, and is focused on the rural workforce, rather than farm or estate owners. The LAGs can provide a focus for development, but will need delivery agencies to support this.

4.3.2 Educational Initiatives

It has already been noted that there is a perception that rural work is in general more appropriate for low academic achievers, and some lack of confidence among employers that young people understand and want to enter the sector.

The Determined to Succeed agenda in schools provides a significant base through which these issues can be addressed, and the SPA Pilot is currently being rolled out by the Scottish Executive to 20 schools. At present it is not clear whether any

schools in the study area intend to participate, but there is clearly scope to link this approach with the apprenticeship brand, in order to create new opportunities for labour market entrants.

As a matter of priority, therefore, there is a need for discussion with the Determined to Succeed co-ordinators in the two local authority areas, in order to develop these linkages, and look to establish the Rural Skills SPA in at least one school in each area.

4.4 Critical Path

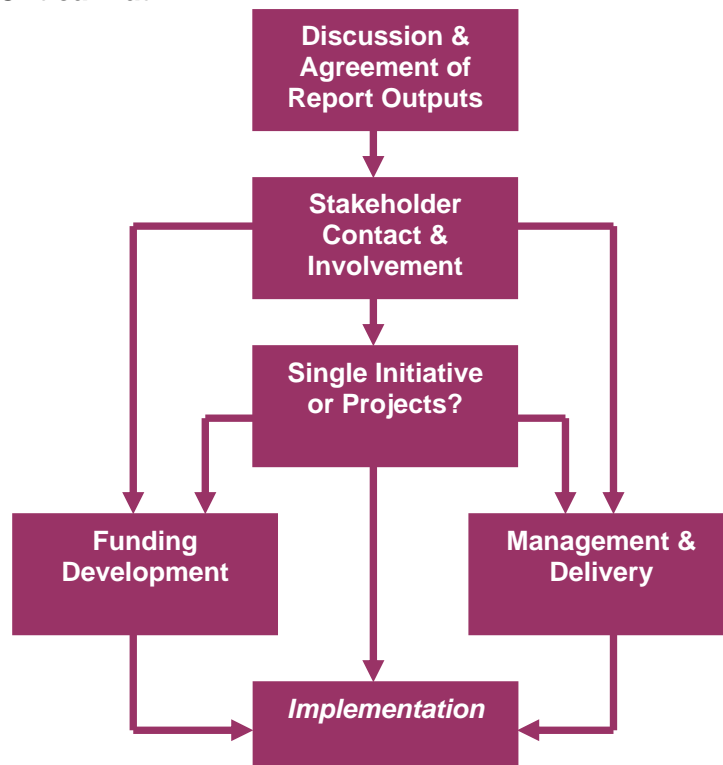
This Report only provides a starting point for addressing the development of rural land-based skills in the study area. The three interventions above could either be run as discrete projects, or linked together in a “rural skills initiative”. The latter approach has the benefit of placing the initiatives within a strategic framework, but would require a co-ordinating body to manage this. The key to this will be the development of appropriate implementation partnerships around agreed project priorities.

Figure 4.1, below, illustrates the decision making and action path that now needs to be followed, on the assumption that the broad approach is agreed.

The activities required to implementation are:

- extended stakeholder consultation over recommendations;
- selection of pilot projects;
- decision on whether a “projectised” or “initiative” approach is to be adopted;
- clarification of funding and management arrangements.

Figure 4.1: Critical Path



4.5 Summary

The Report concludes that:

- There is potential for the development of a rural apprenticeship “brand” that provides the opportunity for the development of training for young people in a range of skills with more than one employer. There are four potential areas for development:
 - sustainable energy;
 - customer service skills for farm to table operations;
 - environmental and habitat management;
 - leisure/tourism activities.
- However, there is a need to clarify the contracting and delivery mechanism if it is to be rolled out across the two areas of South Lanarkshire and Scottish Borders. It may be more appropriate to have two separate schemes, although there is some interest in scheme development, notably through BMR and SAC;
- There is also a need the upskilling of the existing workforce, through the establishment of short targeted courses on areas of need, such as GAEC, installation of sustainable energy products or “farm to table”. Additionally, there is a need to develop business skills for contract workers;
- There is undoubtedly scope to extend the SPA Rural Skills Pilot in the study area. This would help to address the perception that rural skills are for the less academically able, and also address the Determined to Succeed agenda;
- All of these interventions could be delivered under one single initiative. However, there remains work to be done among the stakeholders to clarify management and delivery structures. This will also inform funding mechanisms.

Annex 1: Scottish Borders & South Lanarkshire Economy

This Annex provides an overview of the population and economic business base and workforce profile across the Borders and South Lanarkshire. In addition it highlights some of the key projects of relevance to this study.

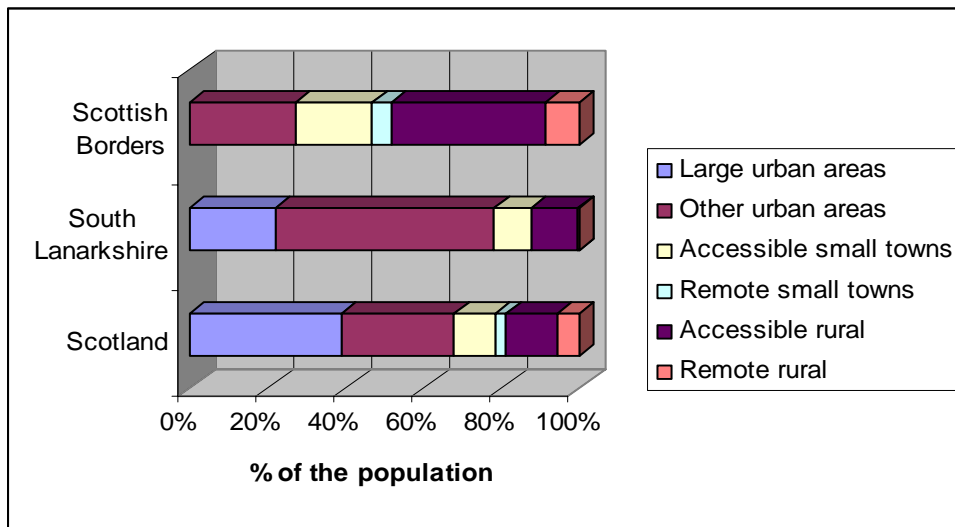
1.1 Population Profile

The Scottish Executive defines all areas within Scotland as either rural or urban, using population density and drive times as the primary indicators. It further divides rural areas into 'remote' and 'accessible'. The method used for defining areas as such is outlined below:

- Rural areas are generally those with a settlement population of less than 3,000;
- Remote rural areas are those with a population of less than 3,000 and with a drive time of greater than 30 minutes to the nearest settlement with a population over 10,000;
- Accessible rural areas are those with a population lower than 3,000 and a less than 30 minutes drive time to the nearest settlement with a population over 10,000²².

Figure 1.1 shows the proportion of the resident populations of the Scottish Borders, South Lanarkshire and Scotland by urban-rural classification.

Figure 1.1: Scottish Executive 6-fold urban rural classification by Local Authority



Source: Scottish Executive Urban Rural Classifications 2003-04

Rural areas within the Scottish Borders are home to nearly half of its population (48% or around 51,400 people), with 9% living in remote rural areas (approximately 9,300 people) and 39% in areas categorised as accessible rural (around 42,100 people). By comparison only 12% of South Lanarkshire's population (around 37,200 people) live in rural areas, with less than 1% living within remote rural areas (approximately 900 people)²³. Therefore, while the proportion of the Scottish Borders' resident population living in rural areas is significantly higher than the national average (19%), within South Lanarkshire the opposite is true.

²² www.scotland.gov.uk/Topics/Rural/rural-policy (accessed on 30/11/2005)

²³ Scottish Executive (2004) Urban Rural Classifications 2003-04. and Office of National Statistics (2001) Census 2001.

Given that the North-Western tip of South Lanarkshire borders Glasgow City, and that the area contains a number of larger towns such as Lanark, Cambuslang, and East Kilbride, it is unsurprising that the area has a significantly larger population and contains a lower proportion of rural areas than the Scottish Borders.

National level evidence suggests that rural areas have increasing ageing populations, with retirees and established family units accounting for the majority of in-migrants and young, single adults the predominant group leaving rural areas for towns²⁴. This issue is illustrated by the age profile of the Scottish Borders, where a quarter of the population are aged 60 and over, compared with 21% in Scotland as a whole and 20% in South Lanarkshire. Given that the Scottish Borders have significantly higher proportions of the population living within rural areas it could be reasonably argued that the rural nature of the area is a contributing factor to its older age profile. Such an assumption is supported by UK level evidence which stresses the significance of older age groups among rural populations²⁵. Housing affordability is often a significant consequence of the migration trends mentioned above, with national level evidence suggesting that houses are increasingly less affordable to average incomes within many rural areas²⁶. Commuting patterns mean it is important to differentiate between rural residents and the rural economy.

Figure 1.2 below considers economic activity among the working age population (16-74 years old) of the Scottish Borders, South Lanarkshire and Scotland.

Figure 1.2: Economic Activity of 16-74 year olds

	Scottish Borders	South Lanarkshire	Scotland
Economically active	69%	64%	65%
Employees	52%	52%	51%
Self-employed	11%	6%	7%
Unemployed	3%	4%	4%
Full-time student	2%	3%	3%
Economically inactive	31%	36%	35%
Retired	16%	14%	14%
Student	3%	3%	4%
Permanently sick/disabled	5%	9%	7%
Other	8%	9%	9%

Source: Census 2001.

Residents in the Scottish Borders are significantly more likely to be self-employed, a finding which may be related to its significant rural population.

Qualifications and Skills

Measuring the skill level of a given population can prove rather difficult. As a consequence qualifications often represent the most suitable proxy for measuring skill level, and as such will be used within this report. Figure 1.3 below shows the broad skill levels of the working age populations of the two study areas and Scotland as a whole.

²⁴ Shelter (2004) *Priced Out: the Rising Cost of Rural Homes*.

²⁵ Lantra (2003) *Environmental and Land-based Market Assessment*.

²⁶ Southern Uplands Partnership (2004) *Rural Housing Issue – Newsletter of the Southern Uplands Partnership*.

Figure 1.3 Broad skill level of population aged 16-74

	Scottish Borders	South Lanarkshire	Scotland
Low	59%	61%	58%
Intermediate	21%	23%	16%
High	21%	16%	19%

Source: Census 2001.

Note: Low - No qualifications and Level 1; Intermediate - Level 2 & 3; High – Level 4+²⁷.

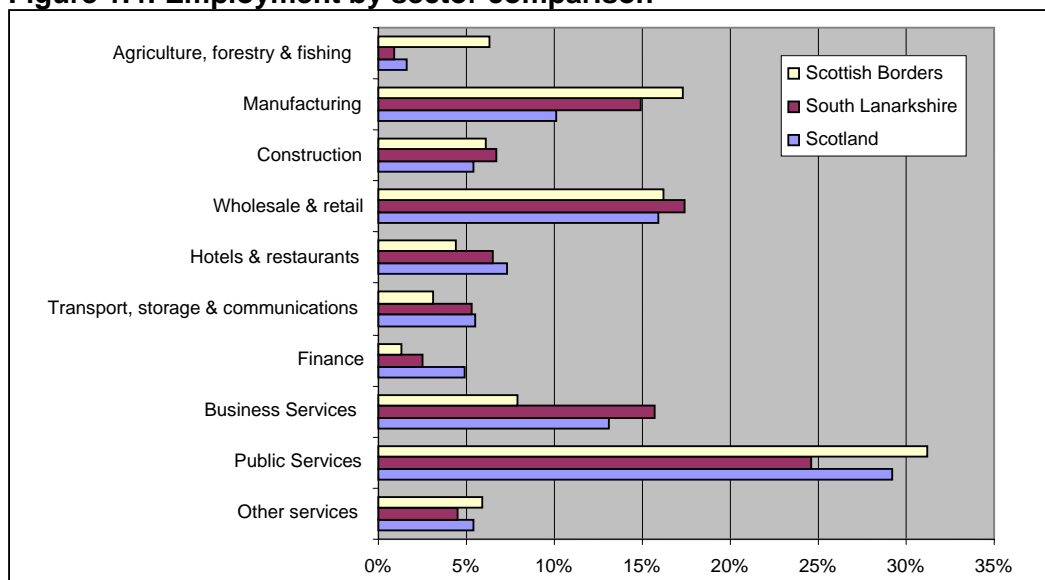
The notable difference between the study areas is that a higher proportion of the working age population of the Scottish Borders has higher level qualifications compared with South Lanarkshire and the national average.

1.2 Employment and Business Base

The Scottish Borders is home to around 4,500 business establishments, employing approximately 41,600 people. Businesses employing 49 staff or less (small businesses) account for around 60% of total employment in the Scottish Borders, with micro businesses (1-10 employees) accounting for 29%²⁸.

South Lanarkshire hosts around 8,500 businesses, which employ around 115,800 people. Employment within small businesses is less prevalent within South Lanarkshire than in the Scottish Borders with 44% of employees working in businesses of this size, a level broadly in line with the national average (45%)²⁹. Given these findings it could be argued that smaller businesses are more prevalent within rural areas. National level evidence supports such a claim with 84% of businesses in remote rural areas and 61% in accessible rural areas employing 1-49 people, compared with 33% in urban areas³⁰. Figure 1.4 over shows the key differences in the sector structure of employment in the study areas.

Figure 1.4: Employment by sector comparison



Source: Annual Business Inquiry 2004.

²⁷ Level 1: 'O' Grade, Standard grade, GCSE, CSE etc, GSVQ/ SVQ Level 1 or 2, SCOTVEC module etc; Level 2: Higher grade, CSYS, 'A' level etc, GSVQ/ SVQ Level 3, ONC, OND etc; Level 3: HNC, HND, SVQ level 4 or 5 etc.

²⁸ Office of National Statistics (2004) Annual Business Inquiry 2004, www.nomisweb.co.uk (accessed on 16/2/06).

²⁹ Ibid.

³⁰ Scottish Executive: Natural Scotland (2005) Rural Scotland Key Facts: People and Communities, Services and Lifestyle, Economy and Enterprise.

Employment in both of the study areas and Scotland as a whole is heavily reliant on public services. Notable differences in the sectoral structure of employment include the importance of agriculture, manufacturing and public services as employers in the Scottish Borders, and business services in South Lanarkshire. The importance the latter is likely to be due to concentrations of employment in business services within towns such as Cambuslang, and East Kilbride. Clearly land based and environmental employment in sectors like agriculture, fishing and forestry is of particular importance within the Scottish Borders, with the proportion of employees working in the sector three times higher than the national average and six times higher than in South Lanarkshire.

Interestingly, employment in the tourism related sector of hotels & restaurants is less prevalent in the largely rural Scottish Borders (4%) than it is both within South Lanarkshire and nationally (around 7%).

Figure 1.5 illustrates the changing nature of employment within Scottish Borders, South Lanarkshire and Scotland as a whole by showing changes in the sectoral structure of employment between 1998 and 2004.

Figure 1.5: Employment change by sector 1998-2004.

	Employment change 1998-2004		
	Scottish Borders	South Lanarkshire	Scotland
Agriculture, forestry & fishing	-8%	-10%	-7%
Manufacturing	-13%	-30%	-28%
Construction	119%	-16%	-28%
Wholesale & retail	-3%	7%	7%
Hotels & restaurants	-56%	18%	7%
Transport, storage & communications	5%	26%	11%
Financial services	-1%	70%	11%
Business Services	25%	105%	25%
Public Services	20%	17%	25%
Other services	84%	8%	17%
Total	2%	10%	17%

Source: Annual Business Inquiry 1998 and 2004.

Overall both of the study areas have experienced employment growth lower than the national average over recent years, with the greatest difference being for the Scottish Borders which grew by only 2% compared with 17% for Scotland as a whole. An analysis of employment change by sector illustrates that, with the exception of public services and agriculture, forestry & fishing, employment growth performance in each sector differed significantly between the two study areas and Scotland as a whole. The most notable differences are the substantial increases in financial and business services employment experienced in South Lanarkshire (70% and 105% respectively), and employment growth in construction and other services within the Scottish Borders (119% and 84% respectively).

Annex 2: Land Based Sector

This section outlines the nature and extent of the land based sector. It highlights the demand and supply of skills and employment within the Scottish Borders and South Lanarkshire.

2.1 Defining the Land Based Sector

South Lanarkshire covers around 135,000 hectares of agricultural land, of which grassland accounts for a significant proportion, while arable crops only account for a small area. The significance of livestock in the area is mainly due to the dairy industry which represents an important component of agriculture in the area³¹. By comparison around 379,000 hectares are in agricultural or forestry use, a figure equivalent to around 7% of total agricultural land area in Scotland. Although the Scottish Borders has a higher proportion of agricultural land devoted to arable crops than the national average (23% and 13% respectively), livestock production is a major activity accounting for around half of Borders farm businesses, with beef and sheep production of particular importance³².

For the purpose of this study the land based sector in South Lanarkshire and the Scottish Borders is defined using the following SIC codes:

- SIC 01: Agriculture, hunting etc
- SIC 02: Forestry, logging etc
- SIC 05: Fishing, fish farms etc

It should be noted that this definition is not an exact match with the Sector Skills Council (LANTRA) footprint which does not correlate directly with SIC codes and includes SIC codes from SIC 05, 52 and 92 such as veterinary services, as it is not possible to replicate the LANTRA footprint at the necessary geographic level due to the availability of data and robustness issues.

2.2 Business and Employment Base

The 2004 Annual Business Inquiry produces an estimate of around 200 land based businesses within the Scottish Borders and around 100 in the South Lanarkshire³³. Micro businesses employing between 1 and 10 people account for the vast majority of land based businesses in both the Scottish Borders and South Lanarkshire (92% and 91% respectively). Despite the number of land based businesses declining by 4% nationally, levels in South Lanarkshire and Scottish Borders remained relatively stable³⁴.

Figure 2.1 shows employment and self-employment within the sector. As was originally highlighted in section 2, the land based sector is particularly significant within the Scottish Borders, with a notably higher proportion of all employees working within the sector than in South Lanarkshire and Scotland as a whole. Clearly self-employment is commonplace within the land based sector, accounting for around 53% of the sector's workforce in South Lanarkshire and 50% in the Scottish Borders³⁵. Given that specialist land based workers are often only required for a

³¹ Scottish Agricultural College (2005) [Impact of Common Agricultural Policy Reform in Lanarkshire](#).

³² Borders Foundation for Rural Sustainability (2001) [The Countryside Management Industry in the Scottish Borders: Sustainability and the Pursuit of New Jobs and Revenues](#).

³³ Note: these figures do not include farm based agriculture data contained in SIC 01.00.

³⁴ ONS Annual Business Inquiry 1998 and 2004, www.nomisweb.co.uk (accessed 17/2/06)

³⁵ Scotland's Census 2001, <http://www.scrol.gov.uk> (accessed on 16/2/06)

limited number of days per year on a given area, and the largely seasonal nature of employment, high levels of self employment are to be expected.

It should be noted that the frequent use of family labour and regular and casual volunteers makes quantifying the workforce of the sector difficult³⁶.

Figure 2.1: Employment Profile – Land Based Sector

	Scottish Borders	South Lanarkshire	Scotland
Employees	2,600	1,100	36,400
Self-employed (estimate)	2,600	1,200	-
% of total employees	6%	1%	2%
Females (% of employees)	20%	22%	23%
Part-time (% of employees)	29%	37%	33%

Source: Annual Business Inquiry 2004, Census 2001.

Note: Numbers have been rounded to the nearest 100.

While the contribution of the land based sector to UK Gross Domestic Product is estimated to be around 6%, the sector further contributes significantly to the wider economy in terms of its relationship with a number of other sectors including tourism, leisure, and food and drink³⁷.

The gender profile of the land based workforce is broadly similar across the two study areas and Scotland as a whole, with females accounting for between 20% and 23% of employees. Given that females account for 49% and 52% of all employees within the locality, males are clearly over-represented in the land based sector within all three geographies.

Figure 2.2: Age Profile of the Land Based Sector Workforce

Age band	Scottish Borders		South Lanarkshire	
	Land based sector	All industries	Land based sector	All industries
16 - 19	3%	5%	5%	6%
20 - 29	13%	15%	14%	20%
30 - 49	48%	51%	48%	53%
50 - 59	21%	22%	19%	17%
60 - 64	8%	5%	7%	3%
65 - 74	7%	2%	7%	1%
Total	100%	100%	100%	100%

Source: Census 2001

The sector has an ageing workforce with 36% of the Scottish Borders and 33% of the South Lanarkshire land based workforce aged 50 or over, compared with 29% and 22% in all industries respectively (see Figure 2.2). In addition there would appear to be a shortage of young people entering employment within the sector. Only 3% of land based workers in the Scottish Borders are aged 16-19 and only 5% within South Lanarkshire³⁸. The older age profile of the sector suggests a need to attract new entrants to the sector over the coming years.

Land based workers are concentrated in skilled trade occupations (including farmers, horticulturists and game keepers), with these occupations accounting for around 58%

³⁶ Lantra (2003) Environmental and Land-based Market Assessment.

³⁷ Lantra (2003) Environmental and Land-based Market Assessment.

³⁸ Ibid.

of the sector workforce in South Lanarkshire and 46% in Scottish Borders³⁹. Other significant occupational groups include elementary occupations (including farm labourers and forestry workers) which account for 22% of employment in South Lanarkshire and 33% in the Scottish Borders.

2.3 Qualifications and skills

The significance of qualifications for securing entry into the land-based sector will vary significantly by occupation. It is worth noting that in numerous farming occupations it has previously been relatively uncommon to hold a relevant qualification with skills often being passed down within the family unit⁴⁰. Furthermore workers in elementary occupations tend to have low qualifications. However, although they may not have accredited qualifications, older agricultural workers are often highly skilled having learned their trade in the workplace. Given the prevalence of skilled occupations in the sector, a significant proportion of new entrants will require qualifications at Level 2 and 3.

A market assessment of the sector undertaken by LANTRA, the Sector Skills Council for the land based sector suggests that employers in the sector have traditionally viewed the majority of employment opportunities as requiring Level 2 qualifications. However employers now suggest that there is an increased need for the current workforce and any new recruits to be trained to Level 3 in occupationally specific skills and more transferable skills such as generic business skills⁴¹.

2.4 Employment Trends

Land based employment in the Scottish Border declined by 8% between 1998 and 2004, compared to declines of 10% and 7% in South Lanarkshire and Scotland as a whole respectively (see Figure 1.5).

In response to the changing economics of rural areas and to combat declining employment and revenue since the outbreak of foot and mouth and reforms to the Common Agricultural Policy, land based businesses such as farms and estates are increasingly seeking to diversify their activities⁴². A study into farm diversification within the Scottish Borders in 2001 found that despite significant motivations for diversification and significant ambition of farmers to diversify, actual diversification was somewhat limited in nature and extent⁴³. However, the study did find that more than a third of farms (35%) had some form of in-come generating diversification activity on-site. Of the 90 activities reported, the most commonly charged for activities across all types of landscape in the area were equestrian, shooting and fishing related.

Diversification activities are likely to have increased since the Borders Foundation for Rural Sustainability report, with 60% of farmers surveyed during the study revealing that they intended to diversify activities to supplement income over the following four years. Tourism and leisure related activities featured prominently within intended diversification activity with two-thirds of those intending to diversify identifying equestrian related activities and a third identifying the provision of B&B facilities as

³⁹ Scotland's Census 2001, <http://www.scrol.gov.uk> (accessed on 16/2/06)

⁴¹ Lantra (2003)

⁴² Scottish Executive (2005) *Planning: Rural Diversification*.

⁴³ The Borders Foundation for Rural Sustainability (2001) *The Countryside Management Industry in the Scottish Borders: Sustainability and the Pursuit of New Jobs and Revenues*.

intended diversification activities⁴⁴. Given that the report was published prior to the Foot and Mouth crisis it is likely that diversification activities and intention to diversify have subsequently become more widespread than these figures suggest.

UK level evidence from the Working Futures National Report 2003-04 suggests that the land based workforce will decline by around 15% between 2002 and 2012. Forecasts suggest that the larger occupational groups such as skilled trades and elementary occupations will bear the brunt of employment decline with both occupational groups experiencing significant job losses (-22% and -44% respectively⁴⁵).

LANTRA suggest that employment levels in pure production activities will fall while some employment gains will occur as a result of the diversification of business activities in farming and food⁴⁶. In addition, Working Futures projections suggest that forecast employment decline will be offset by a significant replacement demand for labour to replace those retiring from the sector. Forecast replacement demand for the sector between 2002 and 2012 is equivalent to around 35% of employment levels in 2002, with skilled trades (56% replacement demand) and elementary occupations (53% replacement demand) accounting for a significant proportion of this demand⁴⁷. The level of replacement demand for skilled trade occupations has particular implications for skills supply.

2.5 Skill Shortages and Gaps

Land based employers work in circumstances which are subject to frequent and considerable change due to external drivers. The 2004 Scottish Employers Skill Survey (ESS) revealed that business regulations (cited by 29% of employers) and changes in the structure of the market (22%) were the main challenges that land based businesses felt they would face over the next 12 months. Interestingly, skills based issues were not among the challenges most cited by employers in the sector with only 3% of employers identifying attracting appropriately skilled staff as their main challenge (see Figure 2.5. over). Clearly legislation and regulation has a significant impact on of the sector, with CAP reform⁴⁸, Animal Health and Welfare Strategy⁴⁹ and the water framework directive⁵⁰ all affecting the future skills and business needs of the sector.

Figure 2.3: Main Challenges for Employers over the Next 12 Months

Main Challenge	Land based and environmental sector (% of employers)	All Industries (% of employers)
Business regulations	29%	15%
Changes in the structure of the market	22%	7%
Cash flow	14%	9%
Increasing competition from outside Scotland	8%	5%
Cost of expanding or obtaining new facilities	7%	7%

Source: Futureskills Scotland (2005) Land-based and Environmental – Scottish Sector Profile 2005.

Note: The above figure displays national level data.

⁴⁴ Ibid.

⁴⁵ Institute for Employment Research (2004) Working Futures: National Report 2003-04.

⁴⁶ Ibid.

⁴⁷ Institute for Employment Research (2004)

⁴⁸ Scottish Agricultural College (2005).

⁴⁹ <http://www.scotland.gov.uk/library5/environment/ahwsgb-00.asp> (accessed on 24/02/06)

⁵⁰ <http://www.sepa.org.uk/wfd/> (accessed on 24/2/06)

Figure 2.4 below shows vacancy, hard-to-fill vacancy and skill shortage rates. A skill shortage occurs when an employer has a vacancy which they have difficulty filling as a result of applicants lacking the required qualifications, experience or skills.

Figure 2.4: Vacancies, Hard-to-fill Vacancies and Skill Shortages

	Land based and environmental sector	All Industries
Vacancies as a % of employment	4%	4%
Hard-to-fill vacancies as a % of vacancies	39%	46%
Skills shortage vacancies as a % of vacancies	15%	25%

Source: Futureskills Scotland (2005) Summary of Results for Sector Skills Councils.

Note: The above figure displays national level data.

While vacancies are as common in the land based sector as they are in all industries in Scotland, hard-to-fill vacancies and skill shortages are less common in the sector.

Employers are considered to have a “skills gap” if they perceive at least one of their employees to be not fully proficient in their role. Skill gaps are more common than skill shortages across all industries in Scotland with the number of skill gaps equal to around 8% of employees while the number of skill shortages is equal to around only 1%. The proportion of land based sector employees not fully proficient is broadly similar to that in all industries (7% and 8% respectively) while a lower proportion of land based employers report skill gaps (10% compared to 22% for all other sectors).

Figure 2.5: Skills Lacking in Employees with Skill Gaps

	Land based and environmental	All other industries
Technical and practical skills	57%	37%
Problem solving skills	48%	49%
Team working skills	48%	49%
Planning and organisation	43%	53%
Oral communication skills	41%	44%

Source: Futureskills Scotland (2005) Land-based and Environmental – Scottish Sector Profile 2005.

Note: The above figure displays national level data.

Figure 2.5 above shows areas in need of improvement among those not fully proficient within the land based workforce. Given the prevalence of skilled occupations within the land based workforce, technical and practical skills can be reasonably expected to be the most frequently cited skills area requiring improvement. Soft skills such as communication and team working skills also feature significantly among skill areas in need of improvement within the land based workforce.

Diversification is having a significant impact on skill needs within the sector and requiring new skills sets⁵¹, with Lantra identifying a subsequent demand for enhanced management skills and a multi-skilled workforce to support such activities⁵². In addition the increasing shift towards food manufacturing, production and sales among farms indicates there will be an increased need for related skill sets.

Increased operating costs and difficulties introducing new working practices are the most cited consequence of skill gaps within the land based industries (cited by 53% and 47% of employers with skill gaps respectively). By comparison difficulties meeting customer service objectives (54%) and difficulties meeting required quality

⁵¹ Scottish Agricultural College (2005)

⁵² Lantra (2003)

standard (51%) are those most cited by employers within all other industries (see Figure 2.6 below).

Figure 2.6: Impact of Skill Gaps

	Land based and environmental	All other industries
Increased operating costs	53%	40%
Difficulties introducing new working practices	47%	38%
Difficulties meeting customer service objectives	39%	54%
Difficulties meeting required quality standards	31%	51%
Delays developing new products or services	25%	31%

Source: Futureskills Scotland (2005) *Land-based and Environmental – Scottish Sector Profile 2005*.

Note: The above figure displays national level data.

UK wide research has also identified an increased need for businesses to access development opportunities in customer service, new technology, and exploiting new routes to market⁵³.

The data shown above indicates a number of challenges facing the sector. The first of these is to develop the current workforce, to improve their skills or qualifications within technical disciplines while simultaneously developing the employability and core skills of new entrants and the existing workforce. It should be noted that in addition to potential economic gain, skills development within the land based sector can also result in the enhancement of an areas environment⁵⁴.

2.6 Skills Supply

Scottish Borders

Borders College has a Land Based and Leisure Faculty which offers a range of land based academic and vocational courses at a number of levels including short courses, National Certificate, higher National Certificate, Foundation, Scottish Vocational Qualifications (SVQs) and Apprenticeships. Figure 2.7 over shows available provision within each of the rural land-based sectors included within this study.

Figure 2.7 Borders College Provision

Rural Land Based Sector	Area of Provision
Farming	Agriculture Mixed farming Rural mechanics
Countryside management	Countryside skills
Nature conservation	Game keeping Game keeping with wildlife management
Forestry and Woodlands	Amenity Horticulture
Equestrian	Horse Care Horse management

The College's Land Based and Leisure Faculty has close links with seven of nine secondary schools within the area via the introductory sessions it runs for the rural land based sectors within the school links programme. This provision was developed

⁵³ Lantra (2003)

⁵⁴ Lantra (2003)

in recognition of the fact that the land based sectors are in decline and interviewees consulted revealed that the courses have proved successful in attracting candidates with the college's brand cited as a potential explanation for such success.

Stakeholders felt that attracting young people into the sector is made more difficult because of a number of preconceived notions on the land based sector. Some interviewees indicated that often teachers and careers advisors can poorly advertise the sector and frequently encourage only those candidates that struggle in their academic work to pursue a career in the rural land based sector.

The college had 14 apprentices on relevant programmes in the last academic year, of which 8 secured employment. However, stakeholders revealed that students on equine related courses faced particular difficulties securing employment due to a lack of employment opportunities.

Figure 2.8 shows the numbers of students in training and numbers of achievements at SVQ Level 2 or 3 in rural land based industries in the Scottish Borders over the last three academic years.

Figure 2.8: Nature/Land Based Industries Training Enrolments and Achievements: Scottish Borders

VQ Title	2003-04				2004-05				2005-06			
	In Training		Achievements		In Training		Achievements		In Training		Achievements	
	L2	L3	L2	L3	L2	L3	L2	L3	L2	L3	L2	L3
Amenity Horticulture (Sports Turf Maintenance)	8	9	2	1	7	6	4	5	4	6	4	5
Gamekeeping and Wildlife Management	5	0	2	0	6	0	2	0	4	0	3	0
Land Based Service Engineering	7	3	0	0	6	3	1	1	6	5	2	0
Mixed Farming	2	2	1	2	1	3	3	1	2	8	1	0
Racehorse Care	0	0	0	0	0	0	0	0	1	2	0	0
Animal Care	1	0	0	0	1	0	0	0	0	0	0	0
Decorative Horticulture	0	1	0	0	0	0	1	0	0	0	0	1
Total	23	15	5	3	21	12	11	7	17	21	10	6

South Lanarkshire

Figure 2.9 below shows the numbers of students in training and numbers of achievements at SVQ Level or 3 in rural land based industries in South Lanarkshire over the last three academic years.

Figure 2.9: Nature/Land Based Industries Training Enrolments and Achievements: South Lanarkshire.

VQ Title	2003-04				2004-05				2005-06			
	In Training		Achievements		In Training		Achievements		In Training		Achievements	
	L2	L3	L2	L3	L2	L3	L2	L3	L2	L3	L2	L3
Amenity Horticulture (Sports Turf)	15	1	4	0	12	1	1	0	12	1	5	0
Gamekeeping and Wildlife Management	0	0	1	0	0	0	1	0	0	0	0	0
Land Based Service Engineering	0	0	0	0	0	0	0	0	3	0	0	0
Mixed Farming	3	0	1	0	2	0	2	0	2	0	1	0
Racehorse Care	1	0	0	0	1	0	0	0	0	0	0	0
Horse Care	2	0	0	0	0	0	0	0	1	0	0	0
Veterinary Nursing	2	1	0	1	1	1	0	1	1	0	0	1
Decorative Horticulture	0	0	1	0	0	0	0	0	0	0	0	0
Total	23	2	6	1	16	2	4	1	19	1	6	1

Annex 3: Construction

This section details the extent and nature of the construction sector within the Scottish Borders and South Lanarkshire, highlighting the demand and supply of skills and employment.

3.1 Defining the construction sector

For the purpose of this study the construction sector in South Lanarkshire and the Scottish Borders is defined using the following SIC code:

- SIC 45 - Construction;

3.2 Business and Employment Base

Estimates from the 2004 Annual Business Inquiry suggest there are approximately 1,300 construction businesses within the study areas, with around 800 based in South Lanarkshire and approximately 500 in the Borders. As with the land based industries, micro businesses (employing 1-10 people) account for the majority of these businesses (90% in the Borders and 89% in South Lanarkshire). Between 1998 and 2004 the construction sector in both areas experienced growth in the number of businesses that exceeded the national average (7% in the Scottish Borders and 5% in South Lanarkshire compared with a national average of 2%⁵⁵).

Employment and self-employment levels are shown in Figure 3.1 below. Self-employment is relatively significant within the sector accounting for around a third of the Scottish Borders construction workforce (32%) and nearly a quarter of the construction workforce in South Lanarkshire (23%⁵⁶), compared to all industries averages of 17% and 10% respectively.

Figure 3.1: Employment Profile - Construction

	Scottish Borders	South Lanarkshire	Scotland
Employees	2,600	7,800	126,500
Self employed (estimate)	1,200	2,300	-
% of total employees	6%	7%	5%
% of female employees	12%	12%	11%
% of part time employees	8%	4%	5%

Source: Annual Business Inquiry 2004, Census 2001.

Note: Numbers have been rounded to the nearest 100.

The gender profile of the sector differs significantly from the average for all industries in both South Lanarkshire and Scottish Borders, with full-time male employees dominating employment in the sector (87% of employees in both areas).

Figure 3.2 shows the age profile of the construction workforce in South Lanarkshire and the Scottish Borders.

⁵⁵ ONS, Annual Business Inquiry 1998 and 2004, www.nomisweb.co.uk (accessed on 17/2/06).

⁵⁶ Census 2001, <http://www.scrol.gov.uk> (accessed on 16/2/06)

Figure 3.2: Age Profile of the Construction Workforce

Age band	Scottish Borders		South Lanarkshire	
	Construction	All industries	Construction	All industries
16 - 19	5%	5%	6%	6%
20 - 29	18%	15%	19%	20%
30 - 49	48%	51%	51%	53%
50 - 59	21%	22%	18%	17%
60 - 64	6%	5%	4%	3%
65 - 74	2%	2%	1%	1%
Total	100%	100%	100%	100%

Source: Census 2001.

Within each of the two study areas the construction sector has a broadly similar age profile to the all industries average. Given that the proportion of 16-19 year olds in the sector in both the Scottish Borders and South Lanarkshire is in line with the all industries average in their respective area, it would appear that construction does not suffer from a notable shortage of young people entering the sector. However, this issue requires following up during stakeholder consultations.

As in the land based industries, construction workers are concentrated in skilled occupations such as stone masonry, plumbing and carpentry, with these occupations accounting for more than 57% of the sector workforce in Scottish Borders and 49% in South Lanarkshire. Plant and machine operatives and elementary occupations collectively account for a further 27% of the construction workforce in the Scottish Borders (14% and 13% respectively) and 22% in South Lanarkshire (13% and 9% respectively).

Qualifications and Skills

The skill and qualification levels present within a sector reflect the occupational structure of the workforce. Therefore, given that skilled occupations account for a substantial proportion of construction employment in both South Lanarkshire and the Scottish Borders, it is likely that a higher proportion of workers will have skills at intermediate level (Levels 2 and 3) rather than high (Level 4+) or low level skills (no qualifications or Level 1). However, plant and machine operatives and workers employed in elementary occupations, such as labourers, are likely to have low qualifications.

3.3 Skills Demand

Employment Trends and Forecasts

Employment growth in the construction sector differed significantly within the two study areas and Scotland as a whole between 1998 and 2004, with the sector experiencing substantial growth in the Scottish Borders which saw employment levels more than double (increase of around 119%), while South Lanarkshire and Scotland experienced losses of around 16% and 9% respectively⁵⁷.

Forecasts for the period 2002-12⁵⁸ suggest that in the UK as a whole, total construction employment will fall by around 3%, with employment levels in the larger

⁵⁷ Annual Business Inquiry 1998 and 2004, <http://www.nomisweb.co.uk> (accessed on 17/2/06).

⁵⁸ Institute for Employment Research (2004) *Working Futures: National Report 2003-04*.

occupational groups, such as skilled trades and elementary occupations, particularly affected with employment in these occupations forecast to fall by 10% and 11% respectively. Projected decline in these occupations is expected to be offset by increases in employment levels for managerial, professional associate and professional occupations (14%, 17% and 24% respectively).

Despite forecasts suggesting a fall in UK employment in the construction sector, significant replacement demand is forecast as replacements are required for those leaving due to retirement. When offset against forecast employment change, projected replacement demand of around 36% results in a forecast net requirement of 33% over the period 2002-12. Given the proportion of employment in skilled occupations it is unsurprising that replacement demand is particularly significant for these occupations (37%). In addition, projections suggest relatively significant replacement demand for managers (38%), professionals (32%) and associate professionals (37%).

Clearly the level of replacement demand for skilled trade occupations, and growth and replacement demand for managers, professionals and associate professionals has particular implications for skills supply for the sector.

Skill Shortages and Gaps

Construction employers face a number of constraints on their business including skill shortages, skill gaps and a number of other challenges. As part of the 2004 Scottish ESS, employers were asked to identify the main challenges they would face over the next 12 months. Figure 3.3 below shows the four challenges which were most cited by surveyed employers in the construction industry in Scotland.

Figure 3.3: Main Challenges for Employers over the Next 12 Months

	Construction (% of employers)	All Industries (% of employers)
Attracting appropriately skilled staff	13%	8%
Increasing competition from within Scotland	12%	18%
Business regulations	12%	16%
Diversifying/expanding business activities	10%	4%

Source: Futureskills Scotland (2005) *Construction – Scottish Sector Profile 2005*.

Note: The above figure displays national level data.

Skills based issues were among the most cited challenges with 13% of construction employers identifying attracting appropriately skilled staff as the main challenge they will face over the next 12 months, a finding which suggests skill shortages may be a significant issue within the sector.

Figure 3.4 shows vacancy, hard-to-fill vacancy and skill shortages rates for the construction sector in comparison to all industries.

Figure 3.4: Vacancies, Hard-to-fill Vacancies and Skills Shortages

	Construction	All Industries
Vacancies as a % of employment	4%	4%
Hard-to-fill vacancies as a % of vacancies	60%	46%
Skills shortage vacancies as a % of vacancies	37%	25%

Source: Futureskills Scotland (2005) *Summary of Results for Sector Skills Councils*.

Note: The above figure displays national level data.

While vacancies account for the same proportion of employment in construction as the all industries average, hard-to-fill vacancies and skill shortages are more

prevalent within the construction sector. The Scottish Construction Employers Skills Survey 2003 found that the majority of skill shortages reported by employers concerned a lack of trade-specific skills (90% of skill shortages⁵⁹). As a consequence it would appear that recruitment difficulties experienced in the sector are regarded by employers as being due to a lack of technically skilled tradesmen.

Although skill shortages are more prevalent within the construction sector skill gaps affect a similar proportion of construction employers (18%) and employees (8%) when compared to the all industries averages (22% and 8% respectively⁶⁰). Research conducted by CITB Construction Skills Scotland found that employers in the Borders were noticeably less likely to report skill gaps than the national average⁶¹ (8%).

Figure 3.5 below shows the skills lacking amongst construction employees deemed not fully proficient in their role.

Figure 3.5: Skills Lacking in Employees with Skill Gaps

	Construction (% of employers with skill gaps)	All other industries (% of employers with skill gaps)
Other technical and practical skills	58%	37%
Planning and organisation	48%	53%
Problem solving skills	42%	49%
Oral communication skills	42%	44%
Team working skills	40%	49%

Source: Futureskills Scotland (2005) Construction – Scottish Sector Profile 2005.

Note: The above figure displays national level data.

The above average proportion of employees citing other technical and practical skills as the skills needing improvement among those with skill gaps could reflect the skill shortages in the sector, as these may have resulted in candidates without the necessary skills being recruited. In addition to technical and practical skills, soft skills also appear to require improvement among the construction workforce.

The above evidence suggests two skills related challenges which must be addressed within the sector. These are to develop the workforce to improve their skills in technical and practical disciplines, and to improve the supply of suitably trained and qualified technically skilled workers.

3.4 Skills Supply (needs supplementing with any additional info from stakeholder interviews).

Across Scotland around 1,000 youngsters are taking part in new Developing Skills for Work courses designed to offer third and fourth year pupils of all abilities the chance to develop skills and knowledge in broad vocational areas.

The pilot courses, being offered by 145 schools, are:

- Early education and childcare
- Sport and recreation
- Construction and craft skills
- Financial services

⁵⁹ CITB Construction Skills Scotland (2004) Results from the Scotland Construction Skills Survey 2003.

⁶⁰ Futureskills Scotland (2005) Construction – Scottish Sector Profile 2005.

⁶¹ CITB Construction Skills Scotland (2004) Results from the Scotland Construction Skills Survey 2003.

Most schools have teamed up with colleges to offer the Intermediate 1 and 2 courses. However, Portree High is working with a local business on the construction course while pupils at Aberdeen's Hazlehead Academy are working with a private nursery for their childcare course.

Other courses are being delivered 'in-house' using visiting lecturers or existing expertise, facilities and

Construction Sector Training Activity

The 2004 Scottish National Employer Skills Survey found that 57% of construction employers had funded or arranged training for members of their staff over the previous 12 months. This was lower than the average for all other sectors (63%).

Barriers to Skills Supply

Nationally more than one in ten employers did not train staff due to time constraints with 13% stating that they did not have time to spare staff from their everyday work role and 12% citing a lack of time to plan training due to other priorities⁶².

Construction related training provision in Scotland as a whole would appear to be broadly sufficient to meet the demands of the industry with only 3% of employers citing a lack of local provision as the reason for not training staff. However, it should be noted that a lack of local provision is likely to be more prevalent for more specialised and traditional construction skills.

⁶² CITB Construction Skills Scotland (2004)

Annex 4: Tourism

4.1 Defining the Tourism sector

Tourism is an important sector in both study areas with estimates suggesting that UK residents took around half a million trips to the Scottish Borders in 2002 and spent around £82 million⁶³ and the Scottish Tourism Economic Activity Monitor estimating that in 2003 the sector generated around £210 million in revenue within Lanarkshire as a whole⁶⁴. The Lanarkshire Tourism Action Plan recognises the importance of tourism to the local economy and aims to increase tourism to the area by 6% over the next three years to 2008⁶⁵. In addition, encouraging rural tourism and increasing the sector's significance to the rural economy is one of the main features of new European rural development policy⁶⁶. Diversification trends within the land based industries mean that the sector is increasingly interdependent and directly involved with tourism.

Within this report the following SIC codes and economic activities have been categorised within the tourism sector:

- SIC 55.1: Hotels;
- SIC 55.2: Camp sites and other short stay accommodation;
- SIC 55.3: Restaurants;
- SIC 55.4: Bars, public houses and nightclubs;
- SIC 63.3: Travel agencies and tour operators;
- SIC 92.62: Other sporting activities.

It should be noted that this definition is not an exact match with the Sector Skills Council (People 1st) as this includes a number of activities which are not within the scope of this study. In addition data for some of the activities which are included within this study cannot be derived from official data sources. The SIC code for hotels and restaurants (SIC 55) has been used as a proxy for analysing forecast employment growth trends and the age profile of workers within the tourism sector, as our access to the required data sources does not allow for a more detailed analysis using the above definition.

4.2 Business and Employment Base

There are approximately 900 tourism business establishments based in South Lanarkshire, and around 400 within the Scottish Borders. In terms of the size of these establishments, micro-businesses employing between 1 and 10 people account for the vast majority of tourism businesses in both areas, although they are more prevalent within the Scottish Borders (90% of businesses compared with 80% within South Lanarkshire). While businesses of this size account for more than half of total tourism employment in the Scottish Borders (57%) they only account for around a third in South Lanarkshire. It is likely that the higher proportion of tourism micro-businesses in the Scottish Borders is due to the rural nature of the area.

Figure 4.1 below shows employment levels within the tourism sector. Tourism accounts for around 9% of total employment in South Lanarkshire, a level in line with

⁶³ <http://www.scotborders.gov.uk/life/businessresources/tourism/> (accessed on 27/2/06).

⁶⁴ <http://www.scotland.gov.uk/News/Releases/2005/02/17114908> (accessed on 27/2/06).

⁶⁵ Lanarkshire Economic Forum (2004) *Lanarkshire Tourism Action Plan*.

⁶⁶ <http://www.europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/766&format=HTML&aged=0&language=EN&guiLanguage=en> (accessed on 2/3/06).

the national average, while the sector accounts for 5% of employment within the Scottish Borders.

Figure 4.1: Employment Profile – Tourism Sector

	Scottish Borders	South Lanarkshire	Scotland
Employees	2,200	10,000	199,000
% of total employees	5%	9%	9%
% of female employees	60%	63%	60%
% of part time employees	55%	62%	55%

Source: Annual Business Inquiry 2004.

Note: Numbers have been rounded to the nearest 100.

Part-time employment figures significantly in the sector with 55% of employees in the Scottish Borders and 62% in South Lanarkshire employed on a part-time basis, compared with all industries averages of 34% and 31% respectively. Furthermore, like the land based industries, employment levels in the tourism sector are highly seasonal.

Female employment is also relatively significant in the sector, accounting for around six out of ten employees in both of the study areas and nationally.

Given the definition used for the tourism sector within this paper, it is not possible to quantify levels of self-employment in the sector. However, figures from the 2001 Census suggest there are an estimated 900 self-employed workers within the hotels and restaurants sub-sector (SIC 55) in South Lanarkshire, and around 600 in the Scottish Borders (around 11% and 24% of the sub-sector workforce respectively).

The hotels and restaurants sector must also be used as a proxy for analysing the age profile of the sector. Figure 4.2 below shows that the sector has a relatively young workforce in both study areas with around 43% of the South Lanarkshire workforce and 34% of the Scottish Borders workforce aged 29 or under. The high proportion of young people is due to the number of individuals working part-time in the sector while they study.

Figure 4.2: Age Profile of the Hotels & Restaurants Workforce

Age band	Scottish Borders		South Lanarkshire	
	Hotels and restaurants	All industries	Hotels and restaurants	All industries
16 - 19	15%	5%	20%	6%
20 - 29	19%	15%	23%	20%
30 - 49	41%	51%	41%	53%
50 - 59	19%	22%	13%	17%
60 - 64	4%	5%	3%	3%
65 - 74	2%	2%	1%	1%
Total	100%	100%	100%	100%

Source: Census 2001.

Elementary occupations such as table waiting, cleaning and bar staff are the largest occupational group within the hotels and restaurants sub-sector with 48% of the South Lanarkshire workforce and 42% of the Scottish Borders workforce employed in such roles. Managers are the next largest occupation with 27% of the workforce in the Scottish Borders and 19% in South Lanarkshire employed in these occupations. Taken in conjunction with the prevalence of micro businesses and the larger proportion of self-employed in the Scottish Borders, the relatively high proportion of

managerial staff in the area indicates a significant number of owner managers in the sector.

Qualifications and Skills

The significance and requirement of qualifications for securing employment in the tourism sector will differ significantly by occupation. Although qualifications are not necessary for employment within elementary occupations, it is likely that a significant proportion of the younger employees in these occupations will have intermediate level qualifications (Level 2 and 3) because of the number working in the sector while studying in further and higher education. However, it should be noted that these workers will often be studying in an area unrelated to the sector.

The minimum skills requirement for the majority of jobs would seem to be for low level skills due to the prevalence of elementary occupations. National level research conducted by the SSC for Tourism supports this, as around 16% of the tourism workforce in Scotland have no qualifications and a further 22% are qualified at either entry level or Level 1⁶⁷. Therefore almost four out of ten employees in the sector do not have a Level 2 qualification.

4.3 Skills Demand

Employment Trends and Forecasts

While tourism employment growth in South Lanarkshire between 1998 and 2003 (39%) exceeded the national average of 12%, employment in the sector declined significantly in the Scottish Borders (50%). The level of decline experienced in the Scottish Borders may be related to the detrimental impact of the 2001 Foot and Mouth crisis on rural tourism⁶⁸.

As a result of the resources of the Southern Uplands natural environment⁶⁹ there is a concerted effort to develop nature based tourism and adventure activities as part of the overall tourist offer within both South Lanarkshire⁷⁰ and the Scottish Borders⁷¹.

Research conducted into equestrian tourism conducted on the behalf of the Southern Uplands Partnership found that, despite opportunities arising as a result of the opening of a number of signed and mapped riding routes, the sub-sector is insufficient to support and sustain the development of a significant number of new businesses and that, as a result, investment in new purpose built facilities cannot be justified⁷².

The Working Futures forecasting model suggests that employment in the hotels and restaurants sub-sector will remain relatively stable with growth of around 1% forecast for the sector in the UK as a whole between 2002 and 2012⁷³. At an occupational level the prevalence of elementary and managerial occupations is forecast to continue, despite a gradually declining share of employment for the former.

⁶⁷ People 1st (2005) The Hospitality, Leisure, Travel and Tourism Sector in Scotland.

⁶⁸ Newcastle University Centre for Rural Economy (2006) Foot and Mouth – Five Years On: The Legacy of the 2001 Foot and Mouth Disease Crisis for Farming and the British Countryside.

⁶⁹ The South of Scotland Nature-based Tourism Steering Group (2003) A Review of Nature-based Tourism Sites in the South of Scotland.

⁷⁰ Lanarkshire Local Economic Forum (2004) Lanarkshire Tourism Action Plan.

⁷¹ <http://www.sup.org.uk> (accessed on 27/2/06).

⁷² Wood-Gee, V., & Costley, T (2004) Equestrian Tourism Project, <http://www.sup.org.uk/execsummary.htm> (accessed on 12/1/06).

⁷³ Institute for Employment Research (2004).

Despite forecasts suggesting little change in employment numbers within the sub-sector, significant replacement demand is expected with 45% of personnel needing to be replaced between 2002 and 2012. Unsurprisingly the vast majority of this demand is for the two largest occupational groups with 42% of managers and 53% of workers in elementary occupations needing to be replaced over this period.

Furthermore labour turnover is a significant issue for the tourism sector with a turnover rate more than double that of turnover in all other sectors (44% compared to 21%⁷⁴). Meeting replacement demand in the sector may result in increased demand for related provision and may require attempts to stimulate interest in careers in the sector.

Skill Shortages and Gaps

Numerous issues generate and affect demand for skills and training within a given sector. Figure 4.3 shows the top five main challenges which tourism employers, surveyed as part of the 2004 Scottish Employers Skills Survey, thought they would face over the next 12 months.

Figure 4.3: Main Challenges for Employers over the Next 12 Months

	Tourism (% of employers)	All Industries (% of employers)
Increasing competition from within Scotland	21%	17%
Attracting new customers	20%	8%
Business regulations	15%	16%
Cost of expanding or obtaining new facilities	8%	7%
Seasonality of business	6%	1%

Source: Futureskills Scotland (2005) Tourism – Sector Skills Profile 2005.

Note: The above figure displays national level data.

Interestingly, skills based issues ranked as the seventh major challenge with 6% of tourism employers citing attracting appropriately skilled staff as their main concern.

Figure 4.4 below identifies vacancy, hard-to-fill vacancy and skill shortage rates for the tourism sector in comparison to all industries. Despite substantial labour turnover in the sector, vacancies and hard-to-fill vacancies are as common in the tourism sector as they are in all industries. In addition, skill shortage vacancies represent less of a proportion of vacancies in tourism than the all industries average.

Figure 4.4: Vacancies, Hard-to-fill Vacancies and Skill Shortages

	Tourism	All Industries
Vacancies as a % of employment	5%	4%
Hard-to-fill vacancies as a % of vacancies	44%	46%
Skills shortage vacancies as a % of vacancies	19%	25%

Source: Futureskills Scotland (2005) Summary of Results for Sector Skills Councils.

Note: The above figure displays national level data.

However, Tourism employers in Scotland report considerable skills gaps among their existing workforce. More than a quarter of employers (26%) reported skills gaps in the 2004 ESS, a figure higher than the all other sectors average of 21%. Skills gaps also affect a greater proportion of employees in the tourism sector when compared with the rest of the economy (14% and 8% of the workforce respectively).

⁷⁴ Futureskills Scotland (2005) Tourism – Sector Skills Profile 2005.

Figure 4.5: Skills Lacking in Employees with Skill Gaps

	Tourism	All other industries
Customer handling skills	61%	50%
Planning and organisation	56%	53%
Team working skills	53%	48%
Problem solving skills	51%	48%
Oral communication skills	51%	43%

Source: Futureskills Scotland (2005) *Tourism – Sector Skills Profile 2005*.

Note: The above figure displays national level data.

Figure 4.5 above shows that customer handling skills were identified as the skill most in need of improvement among the existing workforce (cited by 61% of employers). Planning and organisation and soft skills such as team working and communication skills also feature significantly among the skills lacking among employees with skill gaps. People 1st, the Sector Skills Council for tourism sector, identifies customer service as a crucial and often unique selling point in the sector which can foster a positive image for tourists and serve to increase the sectors' competitiveness⁷⁵. Within nature based tourism general business skills have been identified as an area in which skills need improving⁷⁶.

Skill gaps can have a significant detrimental impact on an individual employer and a sector as a whole in terms of competitiveness and productivity. Figure 4.6 below highlights the main impacts of skill gaps in the tourism sector.

Figure 4.6: Impact of Skill Gaps

	Tourism	All other industries
Difficulties meeting customer service objectives	66%	52%
Difficulties meeting required quality standards	62%	49%
Difficulties introducing new working practices	48%	36%
Loss of business orders to competitors	43%	31%
Increased operating costs	40%	40%

Source: Futureskills Scotland (2005) *Tourism – Sector Skills Profile 2005*.

Note: The above figure displays national level data.

The ESS found that the main consequences of skills gaps were difficulties in meeting customer service or quality standards and difficulty in introducing new working practices, as well as loss of business to competitors and increased operating costs.

4.4 Skills Supply

Borders college provision

A 2001 Review of Modern Apprenticeships conducted on behalf of Scottish Enterprise found that the Hospitality framework for training Modern Apprentices was restricted in the Borders due to a lack of commercial prospects for hospitality work in the area⁷⁷.

Tourism related provision available at Borders College is shown by area of provision in Figure 4.7 below.

⁷⁵ People 1st (2004) *Market Assessment for the Hospitality, Leisure, Travel and Tourism Sector*.

⁷⁶ Southern Uplands Partnership (2004) *Nature Based Tourism in South Scotland – where are we and where do we go from here?*, <http://www.sup.org.uk/docs/reportsFeb2004/NBTWorkshopNotes.pdf> (accessed on 27/2/06).

⁷⁷ Scottish Enterprise – Central Research Unit (2001) *Review of Modern Apprenticeships in Scotland*.

Figure 4.7: Tourism Related Provision by Area of Provision – Borders College

Sector	Area of Provision
Tourism and Sport	Sport and exercise
	Sport and leisure
	Sports coaching

Tourism Sector Training Activity

Given the relatively significant incidence of skill gaps in the tourism sector, there is a clear need for employers in the sector to train their staff. The 2004 ESS found that tourism employers were as likely to have funded or arranged any training for their staff as employers in all other sectors (63% and 62% of employers respectively).

Barriers to Skills Supply

UK wide research conducted by People 1st, the SSC for the Tourism industry, identified difficulties retaining staff as the most cited reason for employers not providing training for their staff⁷⁸.

⁷⁸ People 1st (2005) Hospitality, Leisure, Travel & Tourism: A Skills and Labour Market Profile.

Annex 5: Examples of Activity

Introduction

This annex summarises a number of projects, both within the study area and elsewhere, that can inform the development of future projects in the area.

Borders Machinery Ring Rural Apprenticeship Pilot

The Borders Machinery Ring (BMR) was established in 1978 with the aim of helping farmers to spread their fixed costs by sharing machinery, surplus labour and capital inputs. Since 2004 the BMR has been involved in a pilot apprenticeship scheme with Borders College and LANTRA. Initially LANTRA was charged with managerial responsibility for the pilot, with BMR providing training and mentoring opportunities and Border College undertaking the assessment of participants. However, since the inception of the pilot LANTRA involvement has gradually diminished and coordination and managerial responsibilities have subsequently become part of BMR's remit.

A stakeholder cited the lack of school leavers interested in employment in the land based industries and difficulties matching interested parties with a suitable employer as the main constraints for the pilot. However, BMR remain keen to be involved in the development.

National Park Schemes

Cairngorms National Park – proposed youth apprenticeship scheme

Research conducted on behalf of the Cairngorms National Park (CNG) identified career paths for vocational training in the area as insufficient in terms of volume, flexibility and accessibility⁷⁹. Consultations with public agencies and employers, which were organised to explore options for addressing these issues, identified other significant issues such as the seasonality of working patterns in sports and leisure sectors (such as hospitality, skiing and game keeping), and the presence of recruitment difficulties in a variety of skills⁸⁰.

As a consequence of the issues identified above it has been suggested that the proposed youth apprenticeship scheme will allow participants to choose a range of sector specific and core skills to enable them to sustain year round employment⁸¹. It has also been proposed that the scheme could include ranger, conservation, land management and building trades. Proposals to tie the scheme with a number of sectors which require seasonal employment represent an innovative and flexible approach to rural skills development and are of some relevance to the Scottish Borders & South Lanarkshire due to the seasonal nature of employment in construction and related industries within these areas.

A skills audit, a training needs analysis and study on available modules and trainer and administrative requirements were commissioned to inform the development of the scheme. These reports were expected to be completed by the end of September 2005 with proposals for a pilot scheme to be presented to board members for approval later in the year⁸².

⁷⁹ SQW Associates (2003) Cairngorm National Park and Surrounding Area: Economic Audit.

⁸⁰ Thorne, J (2005) Cairngorms Youth Apprenticeship Scheme: Increasing Training Opportunities for Young People in the Park

⁸¹ Thorne, J (2005) Cairngorms Youth Apprenticeship Scheme: Increasing Training Opportunities for Young People in the Park

⁸² www.cairngorms.co.uk/news/archive (accessed on 6/12/2005)

Loch Lomond & the Trossachs National Park – proposed modern apprenticeship scheme

Loch Lomond & the Trossachs (LL&T) is another National Park which is in the process of developing a modern apprenticeship scheme in order to address skill gaps and assist young people to remain and work in their own rural communities.

In January 2005 the Loch Lomond & the Trossachs National Park published a Feasibility Study for an Apprenticeship Support Scheme⁸³. The study was commissioned following the identification of a need for trade apprenticeship opportunities, a shortage of local construction, electrotechnical and plumbing services, and reluctance to take on apprentices among small businesses in these trades⁸⁴.

The Feasibility Study confirmed both of these findings highlighting the above trades as those most appropriate to the needs of communities and improved employment opportunities, and identifying employers as a possible constraint on apprenticeship opportunities due to a mismatch in the number of young people wanting to take up an apprenticeship in these trades and the number of companies willing to provide places. Employers cited a number of reasons for this with cost implications, and an inability to cover for staff due to businesses size, the most notable. Given the size of many businesses in rural settings, these constraints are likely to be applicable to rural businesses across a number of sectors and as such should be considered in establishing any rural apprenticeship scheme.

In order to address these constraints LL&T National Park Community Partnership has developed a five year pilot apprenticeship scheme which will provide financial support for small companies involved. As of September 2005 the scheme was seeking to secure the funding required to enable it to begin operating in September 2006.

The development of building and construction related trade apprenticeships within a rural setting such as the Loch Lomond & Trossachs National Park is of some relevance to our study, having been highlighted by partners as one of the sectors to be considered. When this scheme is considered in tandem with proposals to establish multi-sector flexible apprenticeships in the Cairngorms, this case study is of particular value to our study given the seasonal nature of construction and other sources of employment in the Borders and South Lanarkshire, and the fact that partners have stressed a need for ensuring year round employment.

Northumberland National Park – pilot rural skills apprenticeship scheme

The Northumberland National Park management plan⁸⁵ identified the need for boundary conservation and maintenance, and with public and private funding, responded with the development of a 5 year rural skills apprenticeship scheme. The scheme is targeted at farmers and landowners but also involves conservationists and is linked with local schools to provide learning opportunities at Key Stages 2 and 3 (equivalent to P7 and S2 in Scotland). The approach, particularly in terms of its engagement with young people, will provide the opportunity to raise awareness of the land based sector as a potential employment sector and encourage greater participation. In addition the scheme aims to mentor and support three new rural skills based businesses.

⁸³ Rural Insights & May Johnstone Training (2005) [A Feasibility Study for An Apprenticeship Support Scheme for Loch Lomond & the Trossachs National Park Community Partnership](#)

⁸⁴ www.lochlomond-trossachs.org/media/detail.asp (accessed on 5/12/2005)

⁸⁵ www.northumberland-national-park.org.uk (accessed on the 5/12/2005)

Breadalbane Pilot Land-based Vocational Curriculum

Scottish Progression Awards (SPAs) are a relatively new award at S4-6 and are designed to provide entry into vocational training which candidates can build upon when working towards achieving a full SVQ⁸⁶. As a consequence, SPAs can be seen as a useful preparatory route into apprenticeship schemes.

The Scottish Progression Award in Rural Skills is made up of two core units:

- countryside land use;
- estate maintenance: an introduction.

In addition, there are units in:

- agriculture;
- animal care;
- equine;
- fish farming;
- forestry;
- gamekeeping;
- hard landscaping;
- horticulture.

Over recent years Breadalbane Academy in Aberfeldy, Perthshire has been piloting a land based SPA. The Breadalbane Land-based vocational curriculum pilot was developed in partnership with LANTRA (the Sector Skills Council for the Environmental and Land-based sector) to address the lack of young people opting to work within the land-based industries, and the migration of young people from the countryside in search of employment opportunities by offering pupils an insight into the sector whilst simultaneously enabling them to develop a range of vocational and core skills⁸⁷.

Training opportunities offered at the school as part of the curriculum include gamekeeping, agriculture, environmental conservation, equine studies and horticulture. The scheme is perceived to have been a success by trainers, participants and stakeholders alike with the number of pupils on the programme increasing and a number having been motivated to pursue careers in the sector via employment or further training. As a consequence, there are plans to toll the scheme out to an additional 20 schools. Furthermore, LANTRA has produced a DVD containing details on the scheme with the aim of sharing best practice in order to enable further replication of the programme.

Clearly the Land-based vocational curriculum pilot represents an innovative example of rural skills development which is worth considering as a potential preparatory route for any rural apprenticeships developed within the study area and as a method for raising awareness of employment opportunities within the sector among younger people.

Enhanced Level 2 Framework in Agriculture Pilot

In addition to the Breadalbane Land-based vocational curriculum pilot, Lantra have been involved in the development of a pre-Modern Apprenticeship Enhanced Level 2 Framework in Agriculture pilot project with Oatridge (West Lothian), Elmwood (fife) and Barony (Dumfries) Colleges⁸⁸.

⁸⁶ www.sqa.org.uk/sqa (accessed on the 6/12/2005).

⁸⁷ Lantra (2005) *The Breadalbane Land-based Vocational Curriculum*.

⁸⁸ www.lantra.co.uk/Scotland/Level2MA.asp (accessed on 5/12/2005)

Scottish Traditional Skills Training Centre

Proposals for the Scottish Traditional Skills Training Centre were developed in response to the findings of a Scottish Enterprise Grampian study, which identified a diminishing pool of professionals with traditional skills that are able to conserve, maintain and repair the traditional landscapes and buildings⁸⁹.

The centre, which is supported by Scottish Enterprise Grampian, the National Trust for Scotland and Communities Scotland, is to be based at Fyvie Castle in Aberdeenshire and aims to provide a number of accredited, vocational and career development opportunities in traditional building and landscape conservation skills across a range of professions. Skills requirements that have been identified include slating, lime mortar, plastering, rendering, stonemasons, joinery, path-making, hedge maintenance and dry-stone dyking⁹⁰.

The training programme for the centre is being developed in collaboration with a number of organisations including Banff & Buchan College, Scottish Agricultural College and Robert Gordon University. It is envisaged that the project will be developed between 2004 and 2008 with only a limited programme of training available over that period. While the centre will offer upskilling for the existing workforce, it is proposed that school leavers and new entrants will be the key target group for the centre.

Given the overlap between the skills requirements the centre is intended to address and the skills and sectors included within this study, the planned development of the centre could be of relevance, and should plans come to fruition it should serve as another interesting example of rural skills development.

South Yorkshire Rural Skills

The Sector Skills Council for the Land-based Sector (LANTRA) is currently funding the South Yorkshire Rural Skills programme⁹¹ which aims to broaden the agriculture and forestry skill base and increase business effectiveness through training. The programme offers a range of courses including: ICT, business and marketing skills, sustainable farming, forestry skills and legislative training. To date, the programme has supported over 380 agriculture and forestry businesses.

Heritage Lottery Fund Bursaries

In January 2006 the Heritage Lottery Fund (HLF) provided £7 million in training bursaries to a number of schemes aimed at addressing declining numbers of specialists and the preservation of a number of traditional skills. Two of the ten schemes which received funding are of relevance to this study due to the skills targeted and geographic coverage.

One of these schemes involves Historic Scotland who received a £1 million training bursary for a masonry scheme covering Scotland and Northern Ireland. It is planned that the scheme will offer 154 masonry conservation training places in order to address a considerable skill shortage⁹². The training spots will be divided between one month places for existing masonry apprentices, one year placements and three year placements with training to count towards SVQs. None of the training is planned to be within the Scottish Borders or South Lanarkshire, with the Scottish Lime Centre

⁸⁹ www.nts.org.uk/web/site/home/press/royalvisittoFyvie (accessed on 6/12/2005)

⁹⁰ www.nts.org.uk/web/site/home/press/royalvisittoFyvie (accessed on 6/12/2005)

⁹¹ www.lantra.co.uk/England/SYRS.asp (accessed on 6/12/2005)

⁹² Historic Scotland (2006) Historic Scotland secures landmark lottery cash to help defuse Scotland's skills shortage time-bomb, <http://www.historic-scotland.gov.uk> (accessed on 19/1/06).

in Fife, Glasgow Metropolitan College, Culzean Castle in Ayrshire and Telford College in Edinburgh the planned training bases in Scotland⁹³. Despite no training being offered within the Scottish Borders or South Lanarkshire, the geographical coverage of the scheme and the skills being covered mean that it serves as a useful example of rural skills development with relevance to this study.

The other scheme of potential interest to this study is the Natural Talent Training Bursary Scheme. British Trust for Conservation Volunteers (BTCV) will be responsible for running the scheme which received a £677,500 bursary from HLF. Under the scheme 20 apprentices will be placed with partner organisations within Scotland and Northern Ireland, where it is planned they will receive training in a wide range of practical and specialist conservation and nature based skills. These will range from the study and recording of lower plants, invertebrates and fungi to developing skills for specialist habitat conservation⁹⁴. Given that nature conservation is one of the sectors included within this study, the Natural Talent Training Bursary Scheme is of interest.

⁹³ Historic Scotland (2006)

⁹⁴ Heritage Lottery Fund (2005) Bursaries: Traditional Training, <http://www.hlf.org.uk/English/Articles/pressrelease.htm> (accessed on 19/1/06)

ANNEX 6: CONSULTEES

Name	Organisation
Charlotte Waugh	Borders Construction Industry Forum
Denise Walton	Border Foundation for Rural Sustainability
Micheal Bayne	Borders Machinery Ring
Helene Mauchlen	British Horse Society Scotland
Anne Dickson	Careers Scotland
Fraser Scott	Farmcare
John Dougan	Forestry Commission Scotland
Becky Lyon	Lanarkshire Farming & Wildlife Advisory Group
Mary Mitchell	LANTRA
Jim Hume	NFU Scotland
Graeme Lighterwood	Scottish Agricultural College
Hamish Walls	Scottish Agricultural Organisation Society
Kenny Fraser	Scottish Borders College
Andy Winwood	Scottish Borders College
Andy Johnson	Scottish Borders College
Sam Smith	Scottish Borders Leader+
Lindsay Hewitt	Scottish Enterprise Borders
Eileen Tarriott	Scottish Enterprise Lanarkshire
Robert Hunter	Scottish Enterprise Lanarkshire Business Gateway Lanark & South Lanarkshire
Chris Parkin	Leader+
Yvonne Rodgers	South Lanarkshire Council
Pip Tabor	SUP
Nick Yonge	Tweed Foundation

Annex 7: Young Peoples' Perceptions of Training and Employment in Rural/Land Based Industries

Step Ahead Research conducted a series of focus groups at a Careers Scotland Careers Fair in Kelso targeted at the High Schools in the Scottish Borders.

The attendees were:

- S4 pupils (16 year olds doing Standard Grades);
- S5/6 pupils (17/18 year olds doing Highers/Advanced Highers);
- 16-18 year olds on National Vocational Training Programmes (e.g. Get Ready for Work).

Interviewees were chosen at random, and we spoke to around 50 young people over the day in small groups, of which there were 34 boys and 16 girls.

Below we have listed the key issues to come out of the focus groups, arranged by theme.

General Observations

- Those wishing to stay in their local area and work in land based industries tended to have family involved in these industries.
- There was generally a high level of awareness of the job opportunities locally and the likelihood of them obtaining work in their desired field.
- Many students had an affinity with working outdoors and didn't like the idea of working within an office environment. This did not necessarily translate into a desire to work in the land based sectors.
- Many young people did not intuitively understand the "land-based industries" as a concept. Some respondents associated land based sectors only with farming and failed to understand the true range of jobs and activities in the sector.
- However, those with clearer aspirations for the development of their career had a good understanding of the opportunities involved.
- Apprenticeships were widely available in respondents' local areas and were a popular choice for further education.
- Most agreed that the Uplands lacked both the number and range of jobs they would look for. There was a perception that there was not a large enough population to support an ever increasing number of beauticians or hairdressers, so that they would be forced to move away to pursue these careers.
- Good and bad aspects were mentioned for their local area but generally respondents were happy (however, this is perhaps due to a lack of a comparator area)
- Those intending on staying to seek employment in their local area showed interest in the possible development of rural apprenticeships.

Types of careers interested in

- The manual trades were popular (plumbing, electrical, joinery)
- Land based (park ranger, equestrian, farming, countryside management, ghillie, gamekeeper, forestry, tourism, leisure)
- Other (engineering, childcare, hairdressing, quantity surveying Veterinary medicine (didn't want to work in the land based sector as knew too many local vets and didn't want to be competition)

Perceptions of the land based sector

- Female respondents were more averse to manual work in the land based sector (again – possibly not understanding the inclusion of tourism)
- Few of the male respondents had strongly negative views of the land based sector, and many suggested they would consider opportunities in this area.
- Those that were uninterested tended not to understand what work within the land based sector would entail.
- It was notable that fellow students often teased each other for wanting to become farmers, or involved in a land based industries.
- Was recognised on more than one occasion that employment within agriculture was hard work for little pay.
- One respondent noted the seasonal nature of employment in agriculture and the difficulty in getting part time employment (from family experience).
- One respondent understood the difficulty that they would be met with in trying to become a gamekeeper – apparently there is lots of competition for limited number of jobs, regulation of shooting activity).
- Forestry was considered by one respondent to offer sufficient employment opportunities / good money, but required a lot of travel.

Staying in local area / moving away

- The desire to stay in the local area is strongly linked to family ties.
- Many students had an affinity with working outdoors and/or liked their local area.
- The option of moving away was in many cases motivated by the perceived or real lack of local employment opportunities.
- However, many respondents also/instead recognised a number of benefits in favour of moving away; better pay, better prospects for personal development.
- Another common opinion was that a lack of leisure activities combined with a relatively small pool of young people locally meant that a move to a city offered a better social life.
- All of those seeking higher education suggested that they would leave their local area due to a lack of higher education infrastructure. Those thinking of moving away to study did not think that they would return.

College provision

- Many felt that the colleges offered the type of course they were looking for (introduction to game keeping, countryside skills, Harvesting), in some cases noted that they must travel long distances for specialised courses.
- One respondent favoured academic routes in college due to a view that Apprenticeships do not offer the more specialised learning opportunities and are limited by what experiences the employer can offer.

Apprenticeships

- Many favoured the option of undertaking an apprenticeship (generally as it offers paid employment alongside training, courses were also faster to complete)
- Hands-on experience was often preferred by many of the young people seeking to enter the land-based occupations over a classroom environment.
- Suggested by one respondent that Apprenticeships are favoured by those that haven't received very good grades.
- It was reported that there are a lack of local training opportunities for construction Apprenticeships

Awareness of local opportunities

- Students had a high level of awareness of available support (School Careers Advisor, Careers Scotland), relevant trade bodies (CITB), and the training opportunities available within their local colleges.
- However, it was also true that students without a clear idea of their future direction tended to think in terms of the 'high profile' occupations (e.g. mechanic, construction, nursing) and had not given any consideration to related activities (e.g. maintenance of farm vehicles) or to 'niche' occupations (of any sort).