



Shetland Skills Survey 2017

Final Report

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1.0 Introduction

1.1 Background

In 2015 Skills Development Scotland (SDS), Highlands and Islands Enterprise (HIE) and the Scottish Funding Council (SFC) launched the Highlands and Islands Skills Investment Plan (H&I SIP). The purpose of this was to co-ordinate regional skills planning with a view to driving skills development in the region through new and existing economic opportunities. In order to affect this change in the partner areas of the Convention of the Highlands and Islands (CoHI), each individual area was asked to develop its own SIP focusing on specific skills challenges and opportunities.

Efforts were made locally to identify key areas for skills development by partner agencies, but overall strategic development in this area required significant data collection to capture the needs and priorities of employers with regard to skills and training issues. Some data could be gathered from existing sources (Shetland Employment Survey, NOMIS, etc.) but detailed information required the gathering of further data.

As a result of this Shetland Islands Council (SIC) Economic Development Service prepared the Shetland Skills Survey 2017, which was intended to gather information on skills, training and recruitment issues for local employers, and to identify key areas where local training provision needs developed, strengthened or supported.

1.2 Brief

The main requirements of the Brief from the SIC was to;

- Prepare a list of local employers to engage with. This included a sample of employers from different sections and geographic areas of Shetland. In addition a number of trade associations and agencies were consulted. Over 60 different organisations and businesses were approached
- Development of questionnaire in conjunction with SIC. A draft questionnaire was provided by the SIC. This was discussed and agreed in terms of length, content and coding for processing
- Desk based research. A thorough review of the available data on Shetland and Scotland as a whole was considered.

1.3 Structure of the Report

- Chapter 1 has outlined the context and need for the study
- Chapter 2 provides an overview of the Shetland economy
- Chapter 3 sets out the results of the Skills Survey
- Chapter 4 outlines the recommendations for the Shetland Skills Investment Plan

2.0 Overview of Shetland Economy

2.1 Population

Table 2.1 Overall Population 2005 - 2017

Population Data	2005	2015	2016	2017
Shetland Population	22,250	23,200	23,200	23,080
Scotland Population	5,110,200	5,373,000	5,404,700	5,424,800
Shetland Population Change (%)	n/a	4.3	0	-0.52
Scotland Population Change (%)	n/a	5.1	0.59	0.37

Source: Mid Year Population Estimates 2017 (National Records Scotland)

Following growth of 4.3% between 2005 and 2015, Shetland's population has remained relatively static in recent years, at slightly over 23,000, with an overall fall of around 0.5% between 2015 and 2017. Scotland's population grew by 5.1% from 2005 to 2015, and has seen small growth of around 1% between 2015 and 2017.

Table 2.2 Population by Age Group, 2017

	Shetland		Scotland	
	Population	% of Total	Population	% of Total
0-15	4,233	18.3	917,442	16.9
16-24	2,239	9.7	593,361	10.9
25-49	7,206	31.2	1,786,484	32.9
50-64	4,920	21.3	1,114,946	20.6
65+	4,482	19.5	1,012,567	18.7

Source: Mid Year Population Estimates 2017 (National Records Scotland)

Shetland has a higher proportion of under 16's compared to Scotland overall, a lower proportion of those aged between 16 and 49, and a larger proportion of those aged over 50. This may suggest that significantly more young adults leave Shetland than move in, possibly to take up educational opportunities or employment elsewhere. A number of these people do not seem to return, or be replaced in sufficient numbers, to bring the proportion of prime age workers up to the Scottish average.

A Highlands and Islands youth study, "Young People in the Highlands and Islands, 2009" prepared by Cogentsi for HIE, found that in Shetland, emigration of young people is not replaced by immigration of older working age people, and only reaches a little over half of the number of people lost.

2.2 Employment and Unemployment

Table 2.3 Employment Density per 1000 Working Age Population, 2013-16

Year	Shetland Total Jobs	Shetland Employment Density (per 1000 working age population)	Scotland Employment Density (per 1000 working age population)
2016	16,000	1,009	800
2015	17,000	1,015	790
2014	16,000	1,008	790
2013	15,000	1,003	760

Source: NOMIS, 2017

The table above shows the numbers of jobs per resident aged 16-64. The total number of jobs is a workplace-based measure and comprises employees, self-employed, government-supported trainees and HM Forces.

Shetland's total number of jobs reached a peak of 17,000 in 2015, but had fallen back to around 16,000 by 2016. Shetland has a high employment density with 1,009 jobs per 1,000 working age population.

Table 2.4 Economic Activity, Apr 2017 – Mar 2018

All People	Shetland (Numbers)	Shetland (%)	Scotland (%)
Economically Active	12,600	83.1	77.6
In Employment	12,400	81.7	74.3
Employees	10,900	72.5	65.6
Self Employed	1,300	8.3	8.2

Source: NOMIS, Labour Market Profile

The latest figures available show Shetland has a higher percentage of economically active people (aged 16-64) at 83.1%, than Scotland at 77.6%. Shetland also has higher percentages of those in employment and employees. The percentages of those self employed is similar at 8.3% for Shetland and 8.2% for Scotland.

Shetland has significantly lower rates of economic inactivity, relative to Scotland as a whole, with just 16.9% for the period April 2017 to March 2018 according to NOMIS, compared to 22.4% for Scotland.

Shetland has considerably lower rates of people claiming universal credit, with 1.0% of people claiming in August 2018 according to NOMIS, compared to 2.7% in Scotland as a whole.

The pattern of full time versus part time work is broadly similar in Shetland and Scotland, with slightly fewer people working full time in Shetland in 2017 according to NOMIS, 64.3% as compared to 66.1% for Scotland.

2.3 Sectoral Employment

Looking at the sectoral split of Shetland's employment the largest sectors are:

- Health and Social Work 2,250
- Wholesale and Retail 1,500
- Construction 1,250
- Transport and Storage 1,250
- Education 1,250

In comparison with Scotland as a whole, Shetland has higher percentages of employment in Transportation and Storage and Construction, and lower levels in Information and Communication, Administration and Support, and Professional and Technical Services. Shetland has a significantly smaller Finance and Insurance sector. Shetland has similar levels of public sector employment in comparison to Scotland as a whole.

Table 2.5 Employee Jobs by Industry, 2017

Sector	Total Shetland Employment	Shetland (%) Employment	Scotland (%) Employment
Mining and Quarrying	75	0.5	1.3
Manufacturing	1,000	7.1	7.4
Electricity, Gas, Steam and Air Conditioning Supply	75	0.5	0.7
Water Supply; Sewerage, Waste Management and Remediation Activities	100	0.7	0.8
Construction	1,250	8.9	5.7
Wholesale and Retail	1,500	10.7	14.3
Transportation and Storage	1,250	8.9	4.4
Accommodation and Food	900	6.4	7.7
Information and Communication	200	1.4	2.8
Financial and Insurance	50	0.4	3.4
Real Estate	75	0.5	1.3
Professional, Scientific and Technical Services	600	4.3	6.9
Administrative and Support Services	800	5.7	7.8
Public Administration, Defence and Social Security	800	5.7	6.4
Education	1,250	8.9	7.9
Health and Social Work	2,250	16.1	16.3
Arts, Entertainment and Recreation	450	3.2	2.8
Other Service Activities	450	3.2	1.8

Source: NOMIS Labour Market Profile (2017)

2.4 Earnings

Gross weekly pay is an important measure to consider. Weekly earnings of people resident in Shetland were on average £606.00; this is just over 10% higher than the Scottish average of £547.70 for 2017.

2.5 Business and Entrepreneurship

Table 2.6 - Business Stock, Birth and Death Rates per 10,000 People 2014-16

	Business Stock	Business Births	Business Deaths	5 Year Business survival rates (% of Businesses started in 2011)
Shetland 2016	412	36	30	53.8
Scotland 2016	337	42	40	45.6
Shetland 2015	403	39	30	NA
Scotland 2015	326	41	35	NA
Shetland 2014	399	43	30	NA
Scotland 2014	317	40	29	NA

Source: ONS Business

Shetland has a significantly higher level of business stock than Scotland, with about 80 more businesses per 10,000 people. This means there is a little over 20% more businesses per person in Shetland than in Scotland. Business birth has been declining in Shetland for the past 3 years, in contrast with Scotland as a whole where they have grown slightly. However, in Scotland the business death rate has risen by more than a third, whilst in contrast the rate in Shetland has remained constant. Therefore 5 year business survival rates for Shetland businesses are 8% higher.

Overall, Shetland has a strong business base that is maintaining its advantage in numbers over Scotland. There are fewer new businesses being set up in Shetland, and the rate of new start-ups is falling, however new start-ups are significantly more likely to be successful, as seen in the lower death rates and higher 5 year survival rates.

2.6 School Leavers Destinations

Table 2.7 School Leaver Destination – 2016/17

Destination	Shetland	Scotland
Higher Education (%)	34	41
Further Education (%)	20	27
Employment (%)	36	22
Other (%)	4	4
Unemployed or Unknown (%)	6	6

Source: Initial Destinations of Senior Phase School Leavers (Scottish Government)

In terms of school leavers, Shetland has a similar rate of people going to positive destinations (employment, voluntary work, education and training) at 92.6%, compared to Scotland as a whole (93.7%). This has varied over the years, with 2013 and 2015 Shetland figures being around 2% higher, at about 95.5%.

The breakdown of school leaver destination reveals significant differences, with only 34% Shetland leavers going on to higher education in comparison to the Scottish rate of 41%. This difference can be explained by the 36% of school leavers going into employment in Shetland, compared to 22% for Scotland as a whole.

3.0 Results of Skills Survey

Introduction

A total of 44 employers were surveyed, covering 21 sectors within the Shetland economy. These were:-

- Accommodation/Catering
- Agriculture
- Air Transport
- Aquaculture
- Business Service: IT/Computer Related
- Business Services: Financial/Real Estate
- Business Services: Technical/Professional
- Communications
- Construction
- Fish Catching
- Land Transportation
- Manufacturing/Fish Processing
- Manufacturing/Other Food and Drink Processing
- Manufacturing/Engineering
- Oil Supply Services
- Other
- Other Community Social and Personal Services
- Public Administration
- Sea Transportation
- Social Work and Other Services
- Wholesale and Retail

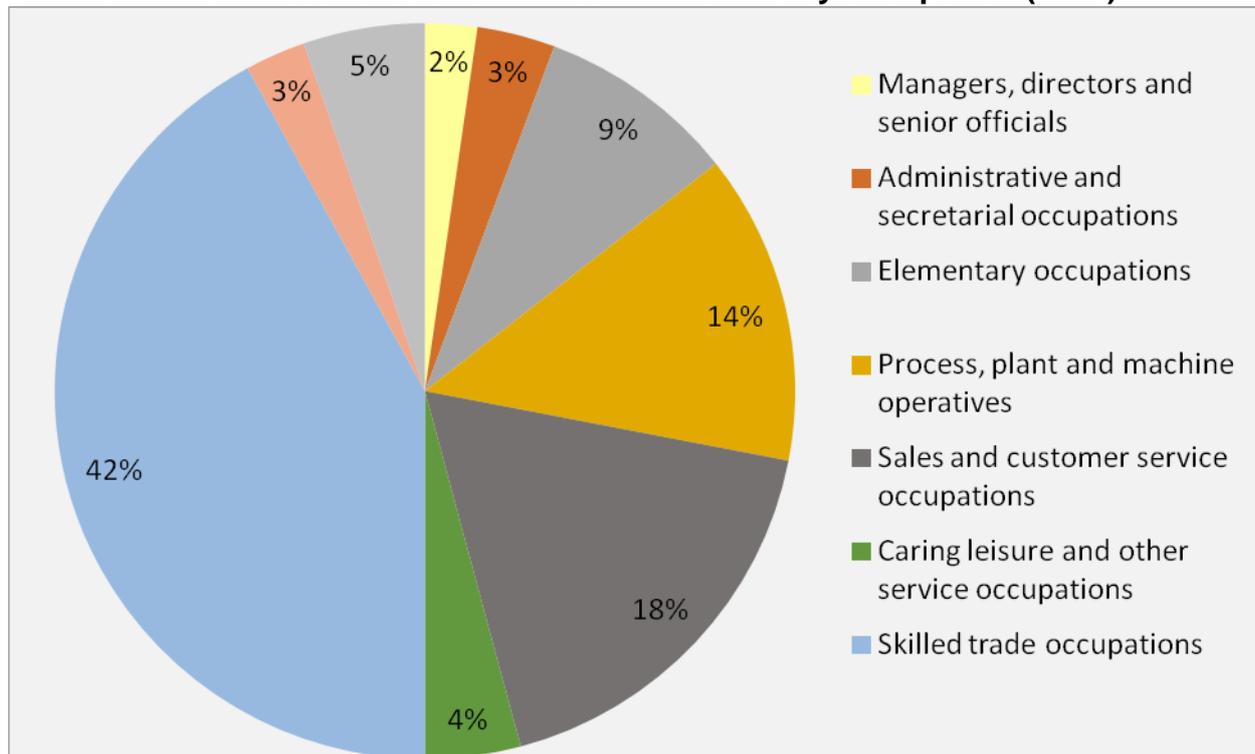
Employers targeted for survey were felt to be the main players within these sectors, or industry representatives. Survey numbers by sector have not been identified in order to protect the anonymity of those surveyed.

In terms of geographic distribution, 68% of interviewees were based in Lerwick, 18% in the Central Mainland and 14% elsewhere in the islands. This does not however reflect the distribution of economic activity of these employers, merely location of head office activity.

Section A - Recruitment and Retention

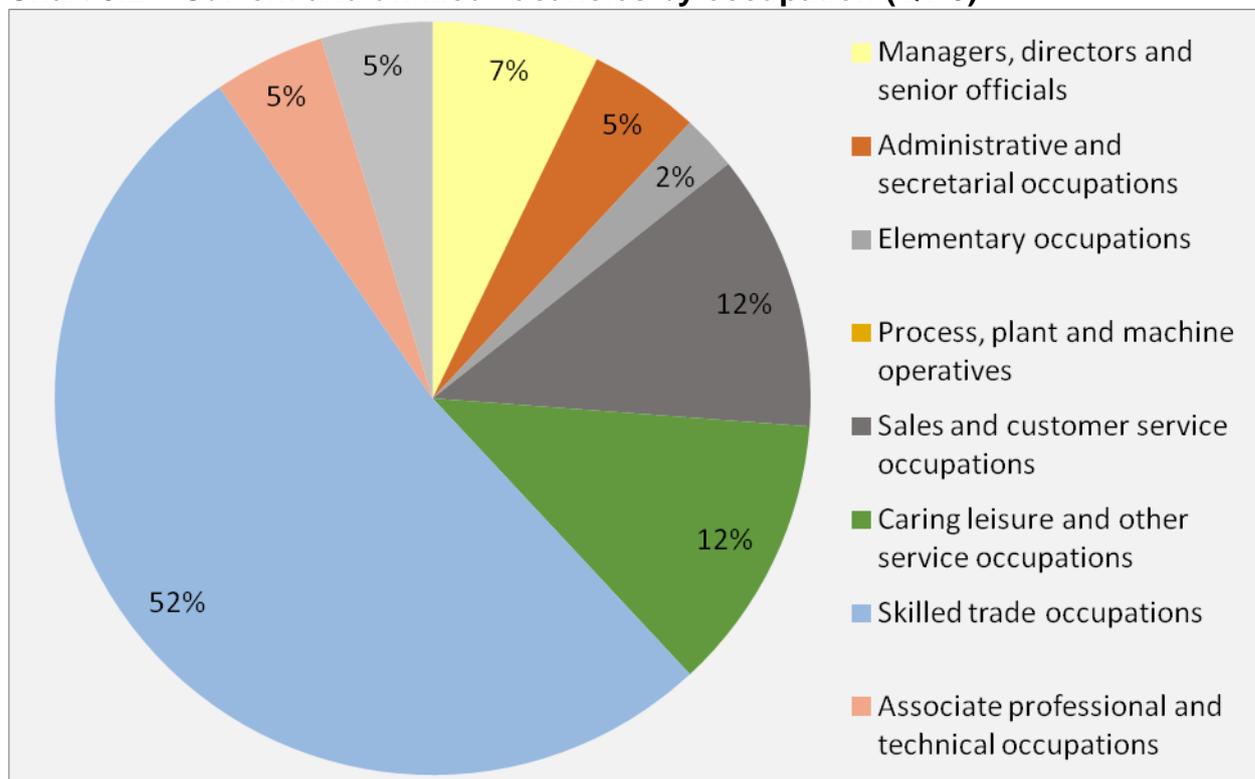
Over the previous 12 months, 88% of employers surveyed had vacancies. 20% had at least 10 vacancies over the period, with an average of 6 vacancies per employer. 192 ft and 72 pt vacancies were identified, giving a total of 264. Of these current vacancies were 27 ft and 6 pt, giving a total of 33, with an additional 9 vacancies unfilled. In terms of occupation, the percentage split of vacancies, both overall and current/unfilled, is contained in the charts below.

Chart 3.1 – Total vacancies over the last 12 months by occupation (Q1-3)



From the chart above it can be seen that overall 42% of vacancies were in skilled trade occupations, 18% in sales and customer service and 14% process, plant and machinery operatives.

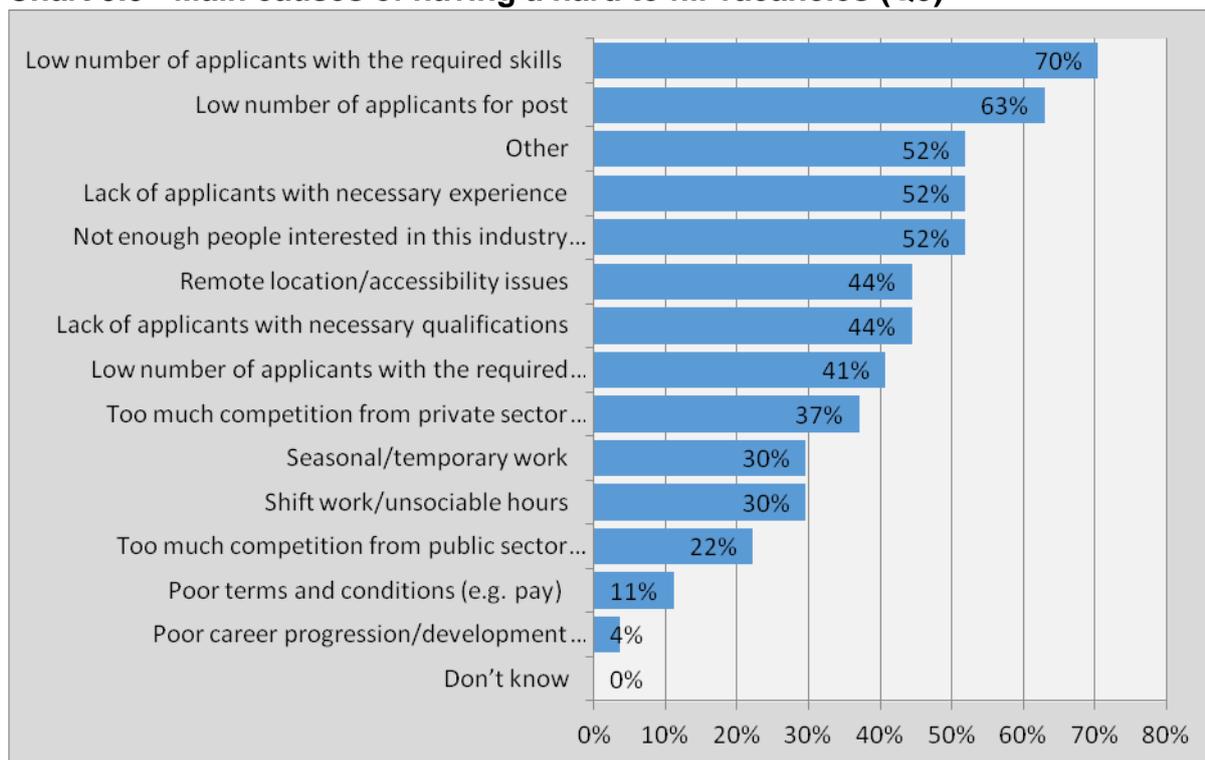
Chart 3.2 – Current and unfilled vacancies by occupation (Q1-3)



From the chart above it can be seen that 52% of current vacancies were in skilled trade occupations, with 12% in both sales and customer service and caring leisure and other service occupations. Interestingly, there were no current or unfilled vacancies in process, plant and machinery operatives, although it should also be noted that this is merely a snapshot in time.

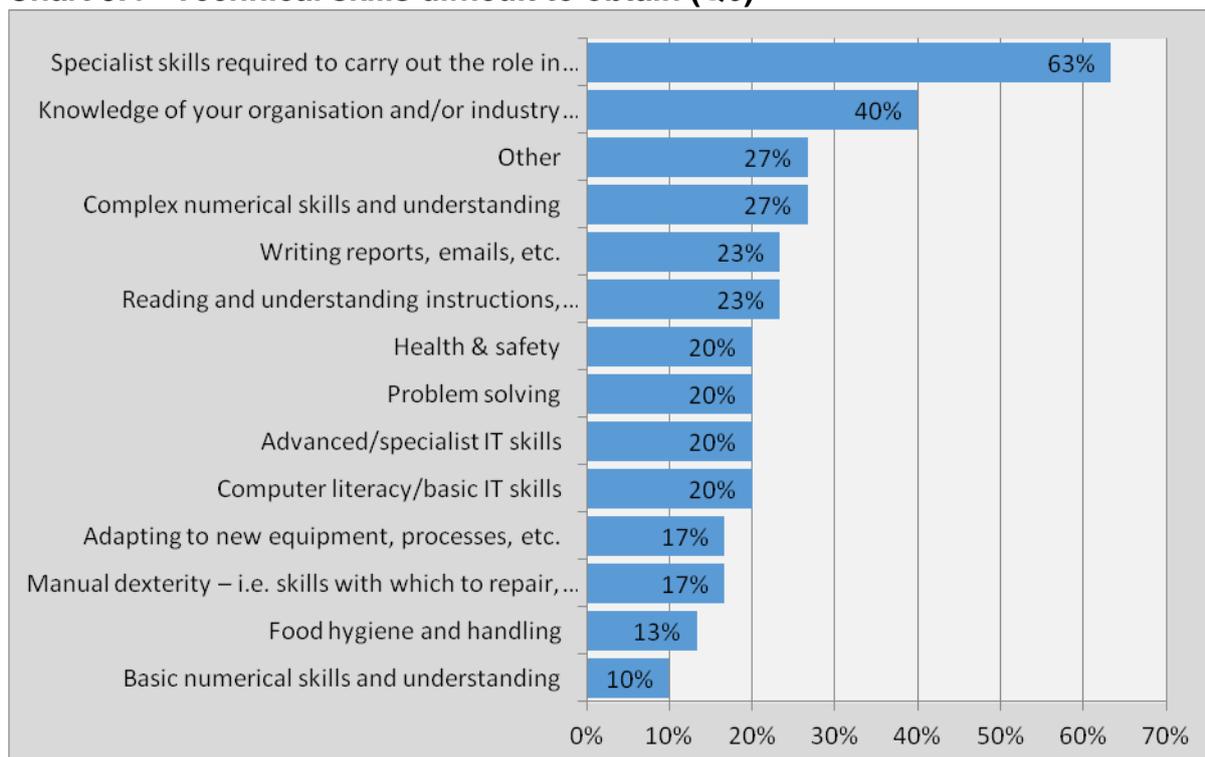
61% of those surveyed stated that they had experienced 'hard to fill' vacancies. The main causes as cited by these respondents are detailed in the chart below.

Chart 3.3 - Main causes of having a hard to fill vacancies (Q5)



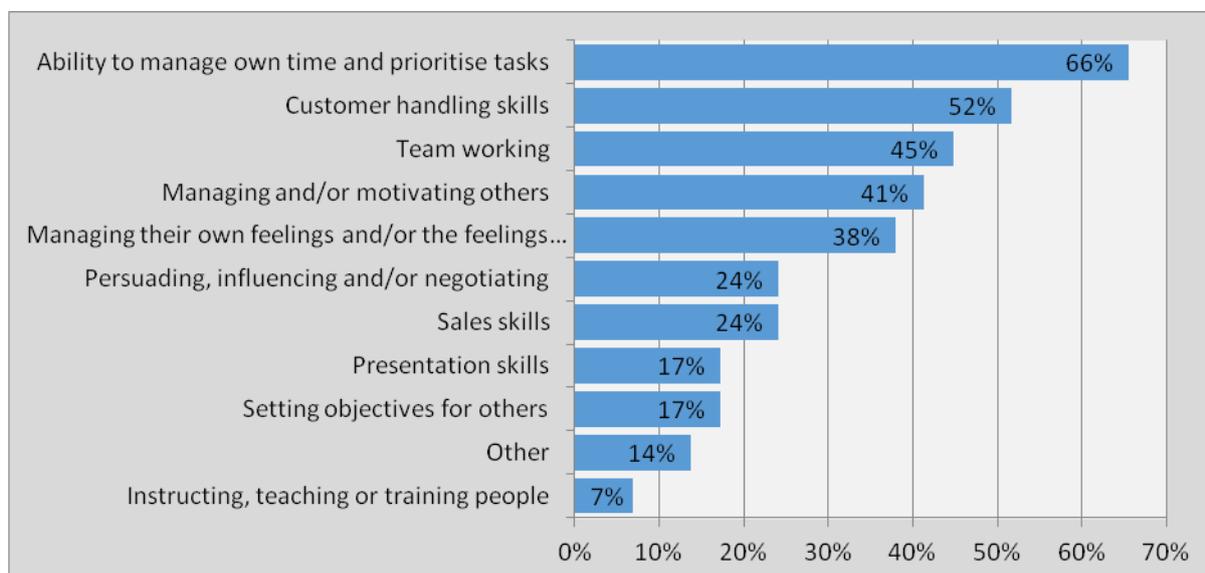
The most commonly quoted issues raised in relation to hard to fill vacancies were the lack of applicants with required skills (70%), low number of applicants (63%), lack of experience, not enough interest in the industry and rural location/accessibility, all (52%). The least quoted reasons were poor career progression opportunities (4%), and poor terms and conditions (11%). Transport, housing, low levels of local unemployment, and employability issues with the unemployed were the most commonly cited issues raised under 'other' (52%).

Chart 3.4 - Technical skills difficult to obtain (Q6)



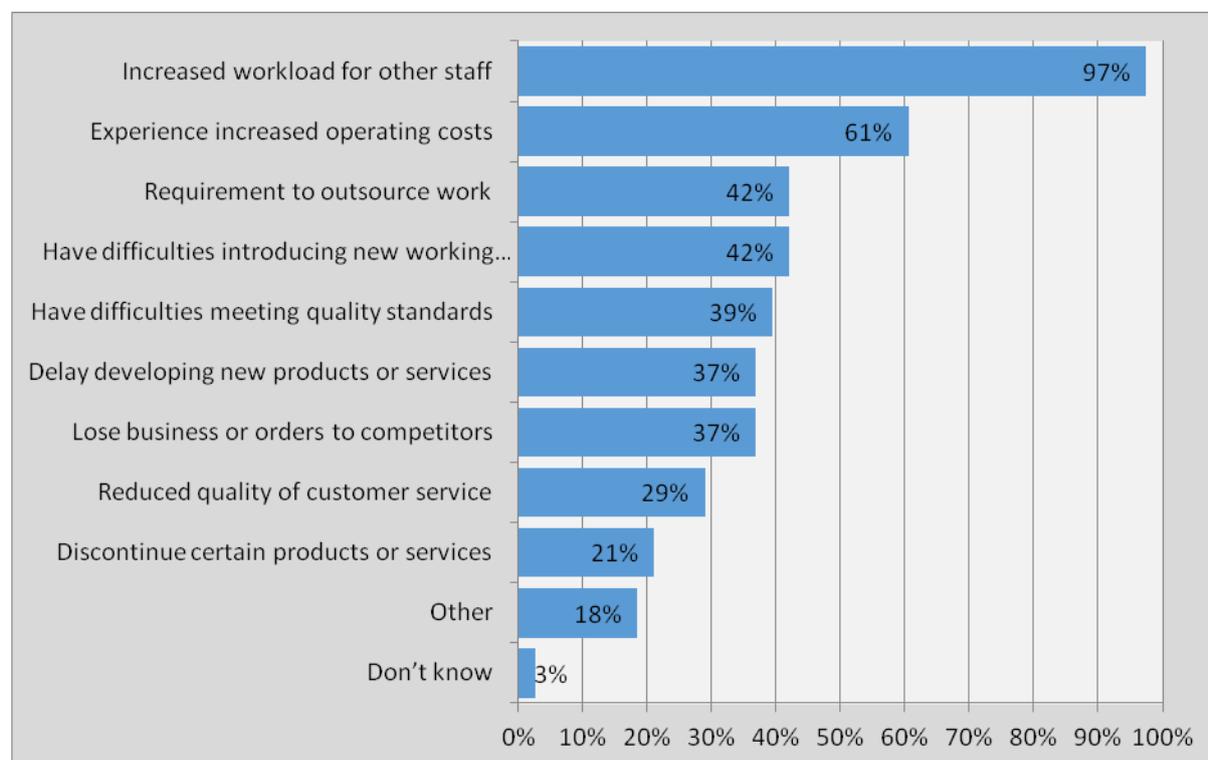
In terms of the technical skills respondents to this question found lacking in candidates, by far the most prominent issues related specifically to the specific role and/or industry, with 63% stating a lack of specialised skills required for the role and 40% a lack of knowledge of the organisation and its industry. The least quoted issues were basic numeracy (10%), and food hygiene and handling (13%). Poor interview skills, lack of experience of living in Shetland, and a lack of multi-skilled people were the most commonly cited issues raised under 'other' (27%).

Chart 3.5 - Interpersonal skills difficult to obtain (Q7)



In terms of interpersonal skills respondents to this question felt were lacking in candidates, the most significant were time management (66%), customer service (52%) and team working (45%). The least quoted issues were instructing others (7%), and 'other' (14%). Poor interview skills were again raised under 'other'.

Chart 3.6 - Main impacts of not filling vacancies (Q8)

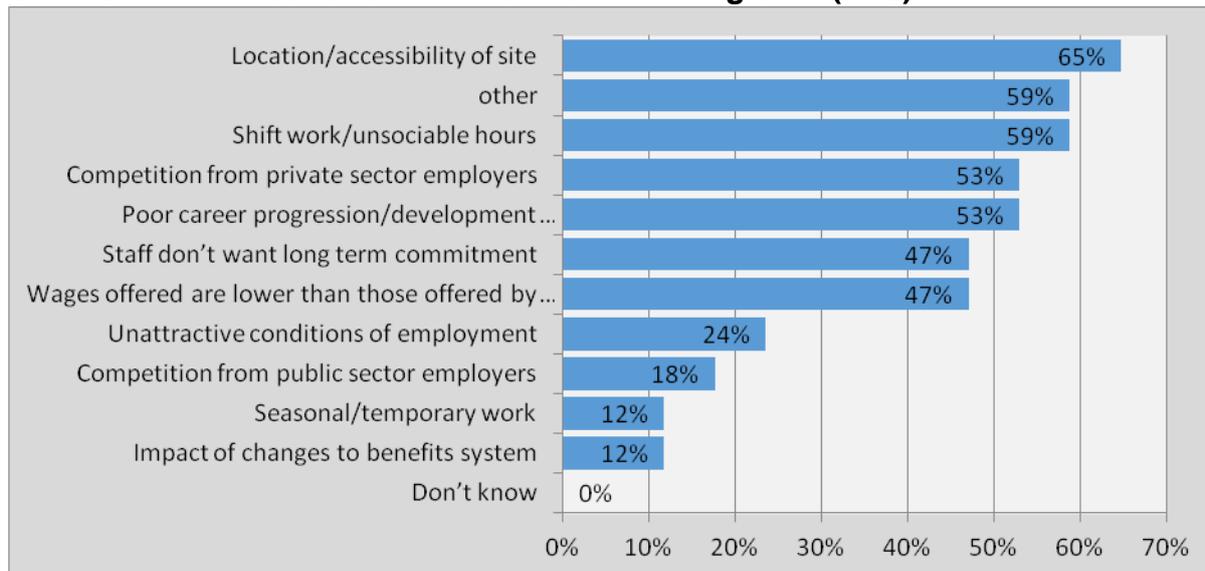


The inability to fill vacancies has a significant effect on business in Shetland. The main impacts of not filling vacancies stated by respondents to this question were increased work load for other staff (97%), increased operating costs (61%), and difficulties in introducing new working practices or requirements to outsource work (both 42%). Difficulties in meeting quality standards, losing orders to competitors, and delayed development of new products were also mentioned by over a third of respondents. The costs of bringing in agency staff, and issues relating to re-advertising posts were mentioned under other.

39% of respondents stated that they had difficulty retaining staff in particular roles the stated staff positions were:-

- Bar staff
- Chef/Cook
- Cleaners
- Clerical Assistant
- Forklift drivers
- Front of house/receptionist
- HGV Drivers
- Jobs filled by young people
- Manager
- Marine staff/engineers
- Retail/sales
- Security
- Social/community care workers
- Waiting staff
- Youth workers

Chart 3.7 - Main reasons for difficulties retaining staff (Q10)



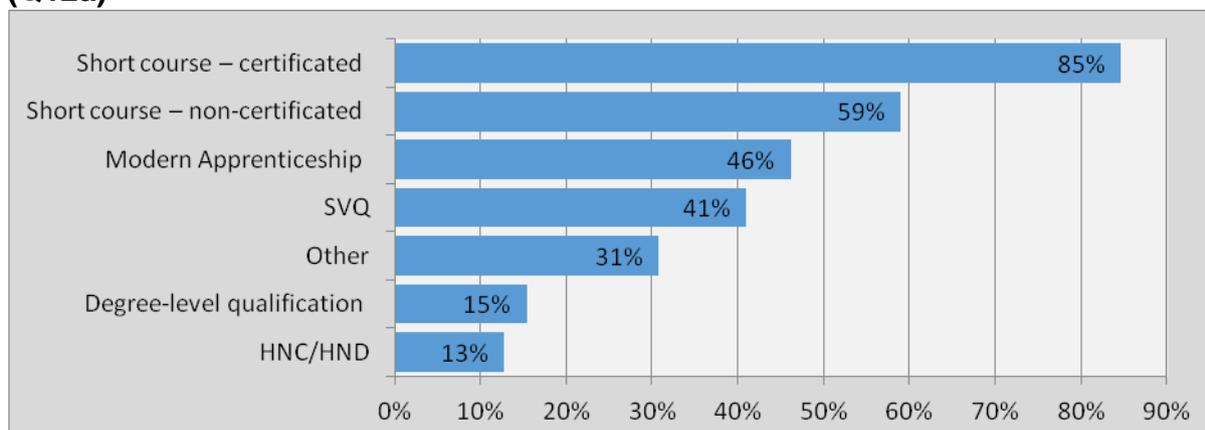
Than main reasons stated by respondents reporting difficulties retaining staff were, location and accessibility (65%), shift work and unsociable hours (59%), competition from private sector employers and poor career progression (both 53%). The least quoted reasons were impact of the benefits system and seasonal/temporary work, (both 7%). Issues raised under 'other' included positions not being seen as a long-term or a job for life; public transport; people wanting to choose their own hours; people relocating to the islands, deciding the job or Shetland is not for them, and too much choice for those seeking employment.

Section B - Workforce Development

80% of business answering this question utilised a staff training plan in some form or other, with 50% having a budget for training staff. 50% stated they had an in-house training manager; however, a number stated that this was part of a wider role.

89% of employers had offered off-the-job training in the past 12 months.

Chart 3.8 – Off-the-job training funded or arranged over the last 12 months (Q12a)

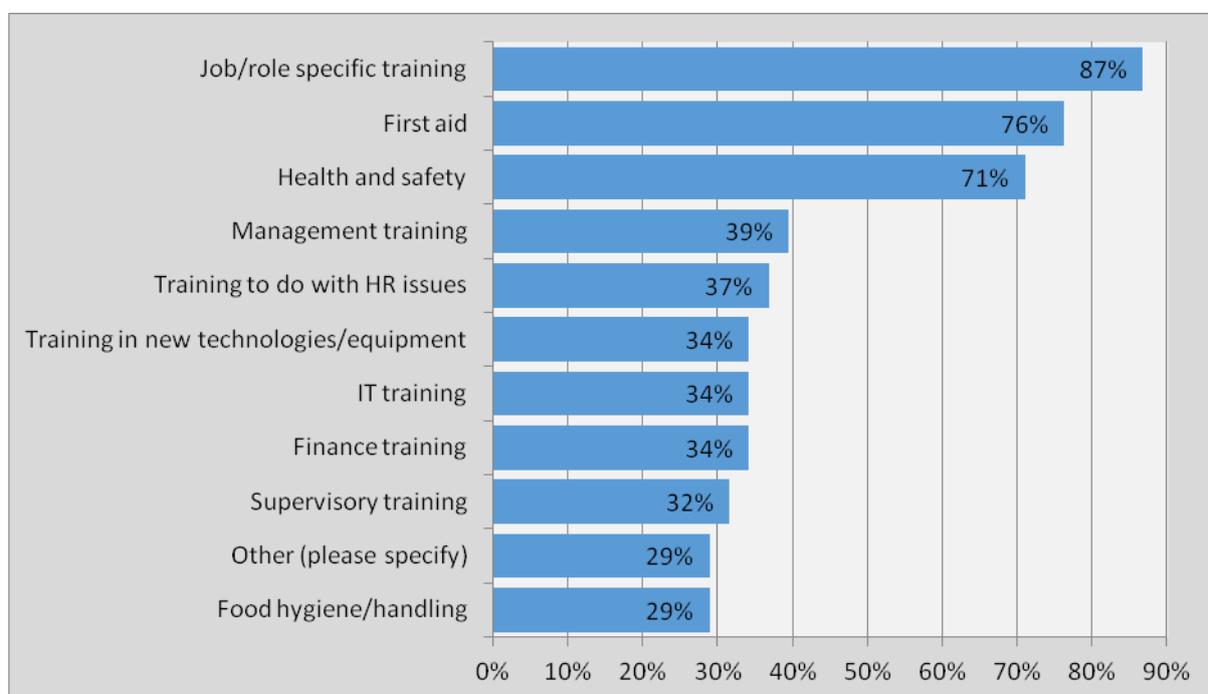


The main forms of off-the-job training stated by respondents to this question were, certificated short courses (85%), non-certificated short course (59%) and Modern Apprenticeships (46%).

Only 13% of employers had provided HNC/HND level training, and 15% degree qualifications.

Other qualifications stated included PhD and postgraduate, Opito, NEBOSH and specialist accountancy and finance training (31%). Distance and online learning was cited for many of these courses.

Chart 3.9 – Types of training arranged or funded over the last 12 months (Q12b)

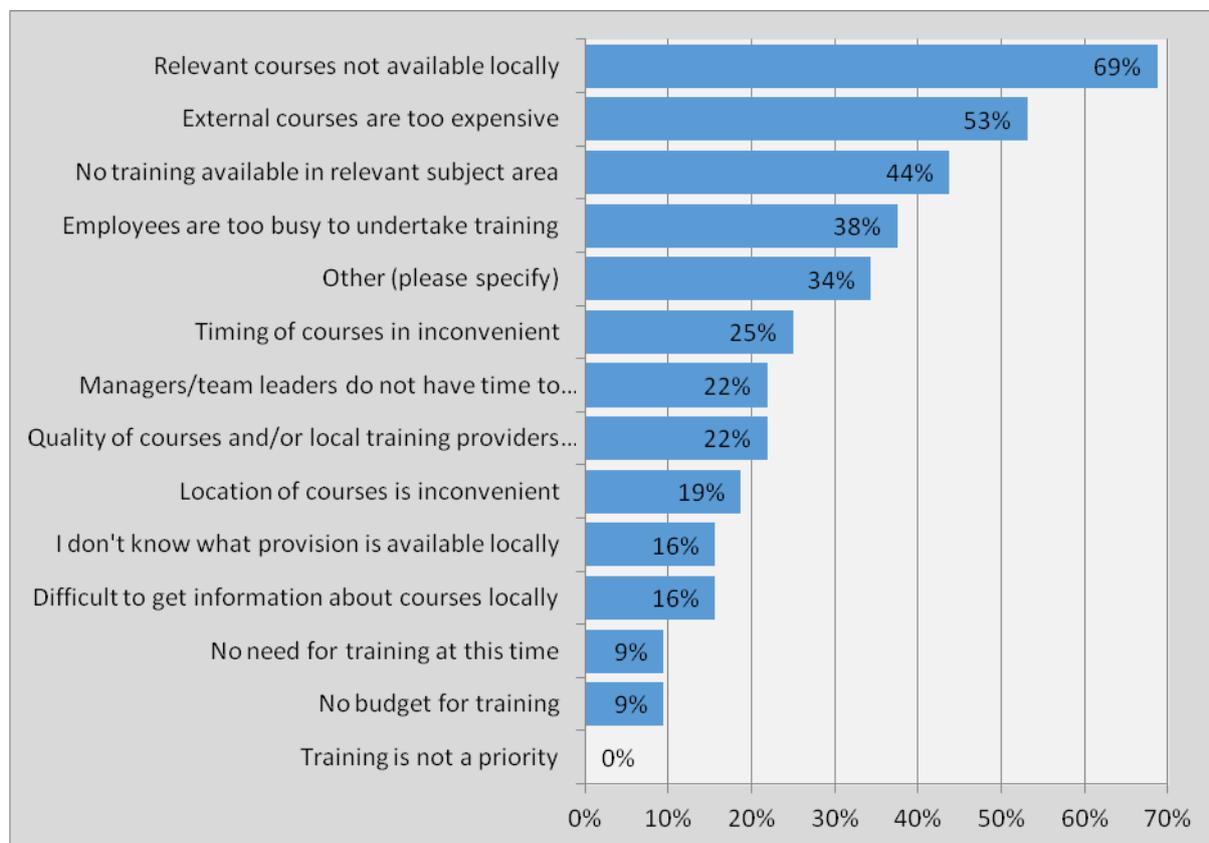


The main types of training stated by respondents to this question were job/role specific training (87%), first aid (76%), and health and safety (71%).

Other less generic and/or more role specific types of training suggested were stated by 30% - 40% of respondents.

Other types of training stated mainly centred around job/role specific training.

Chart 3.10 – Reasons for not arranging off the job training in the past 12 months (Q12c)



The main reason stated by respondents to this question, for not arranging off-the-job training were: relevant course not available locally (69%), and external courses too expensive (53%).

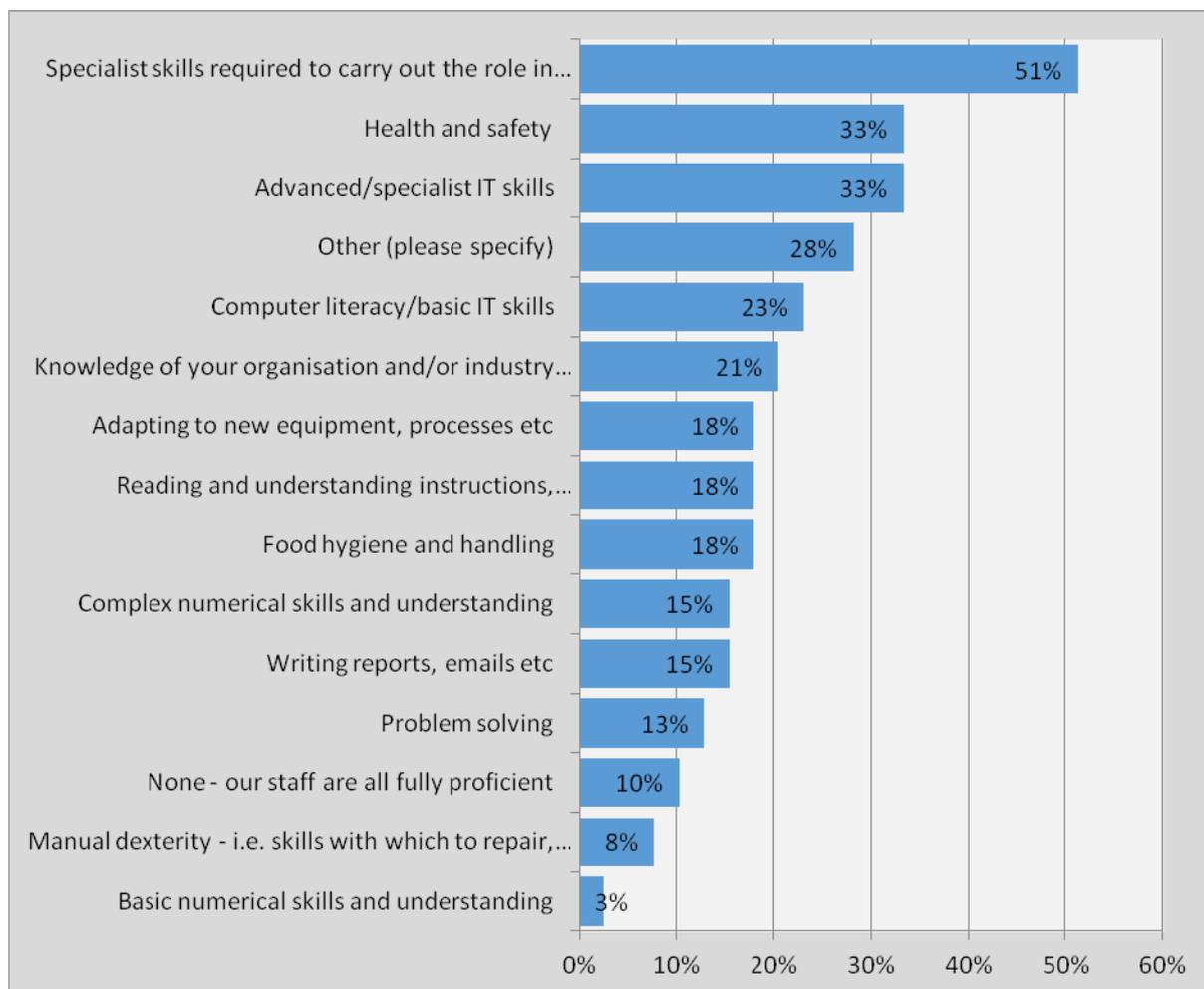
It should be noted that a number of comments relating to external courses stated travel costs and staff travel time as significant factors.

A lack of training available in a relevant subject area was stated by 44% of respondents, with this response being echoed by many in the other reasons option for this question.

No respondents stated that training was not a priority.

Other issues included provision of in-house, induction and bespoke training, as well as courses being cancelled and issues releasing staff for training.

Chart 3.11 – Existing staff training requirements technical/manual skills (Q13)



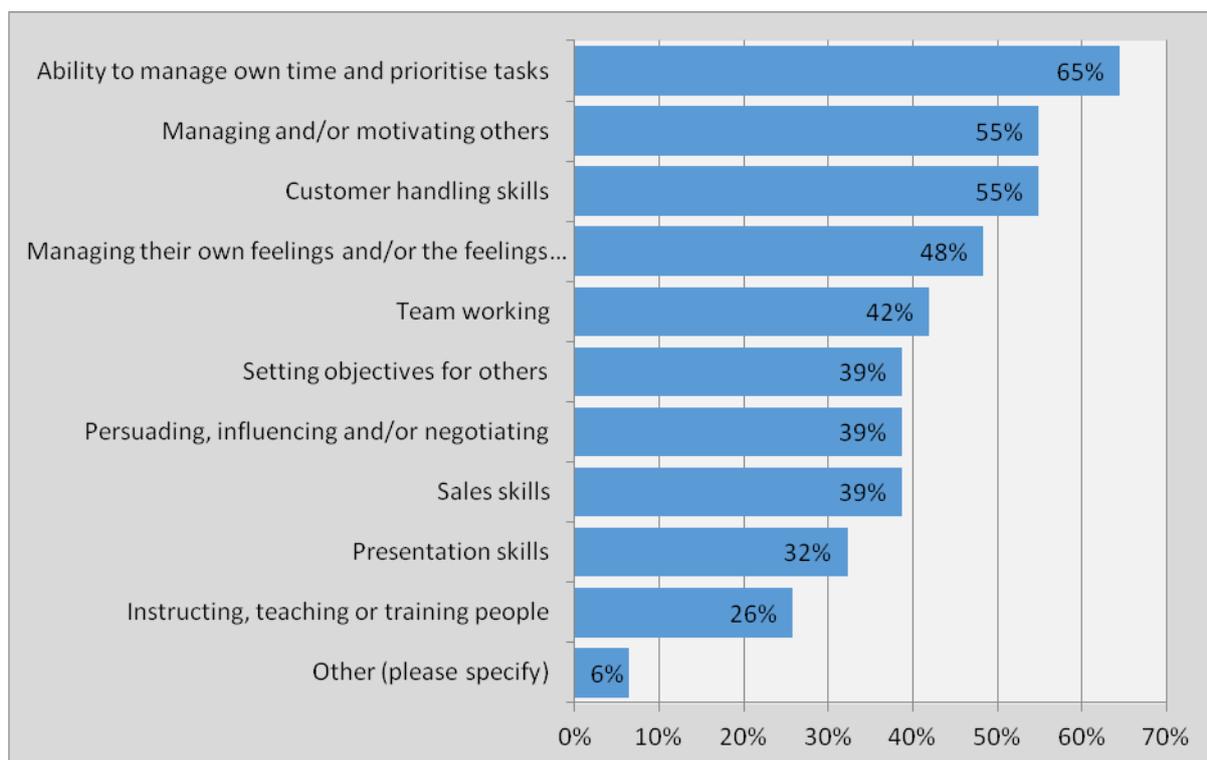
In terms of the technical skills lacking in existing staff stated by respondents to this question, the most commonly mentioned were a lack of specialised skills required for the role (51%), and health and safety and advanced/specialist IT skills (both 33%).

The least quoted issues were basic numeracy (3%) and manual dexterity (8%).

GDPR, support for dyslexia, social media training, electrical training, and sector specific CPD were issues raised under 'other' (28%).

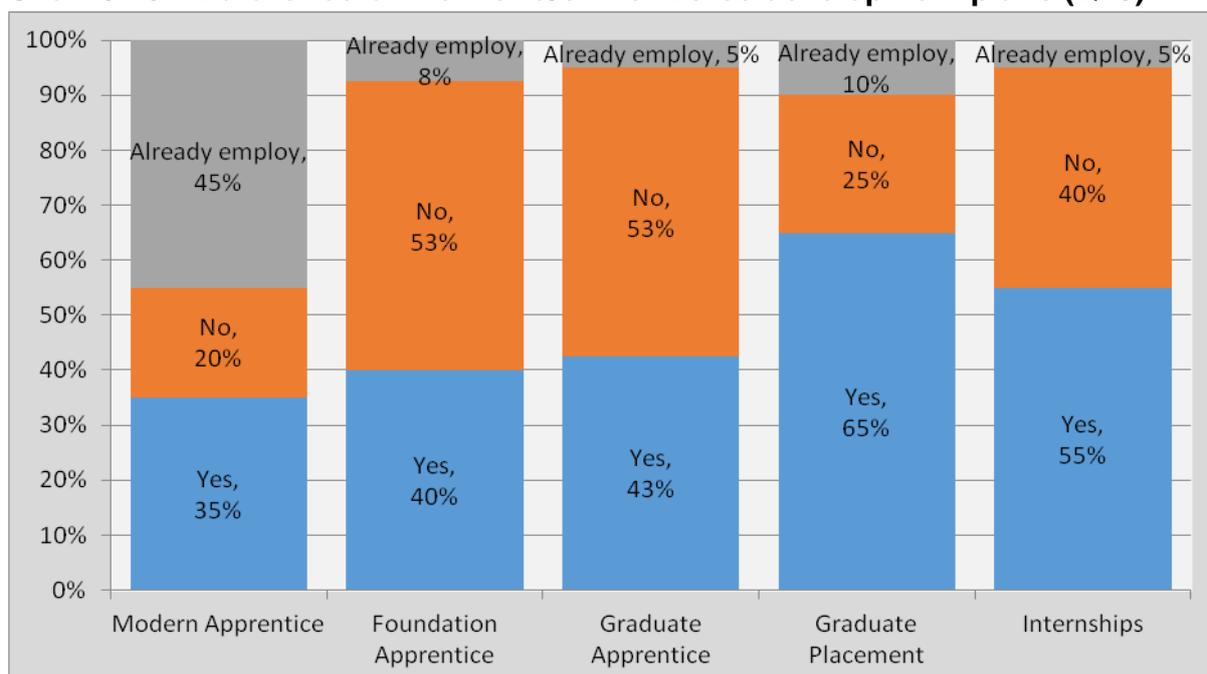
It was also stated by one respondent that training was managed centrally for their organisation, which also operated outwith the islands.

Chart 3.12 – Existing staff training requirements interpersonal skills (Q14)



In terms of the interpersonal skills stated as required for existing staff by respondents to this question, the most significant were; time management (65%), managing and motivating others and customer service (both 55%). The least quoted issues were instructing others (26%) and presentation skills (33%). However, it should be noted that these were still felt to be required by between 1 in 3 and 1 in 4 respondents. Centrally organised training was again raised under other.

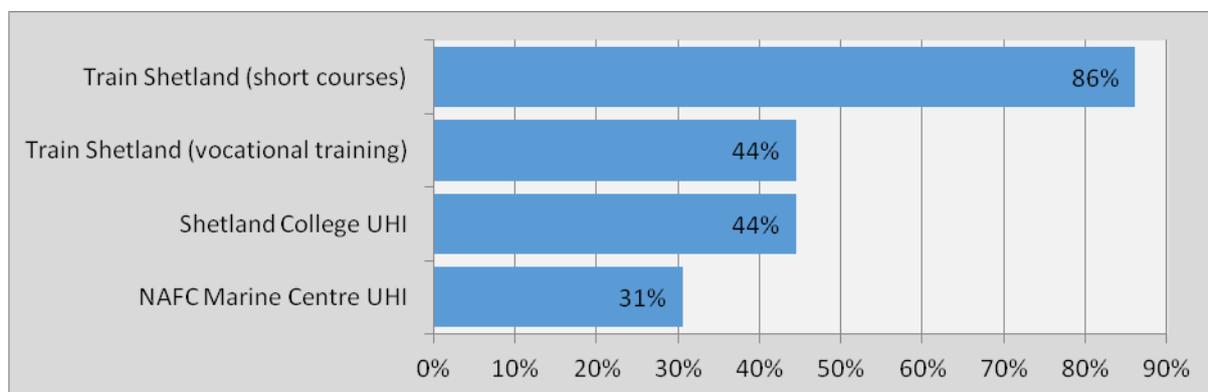
Chart 3.13 – Future recruitment and/or workforce development plans (Q15)



45% of respondents answering this question currently employ Modern Apprentices, with a further 35% indicating they would be interested in recruitment. 65% stated that they would be interested in graduate placement, with 55% indicating interest in internship. There was less interest in Foundation and Graduate Apprenticeships, with over a half of respondents stating they would not be interested. This could however be due to a lack of knowledge in relation to this type of recruitment, as particularly in relation to Foundation Apprenticeships a number of respondents stated no knowledge.

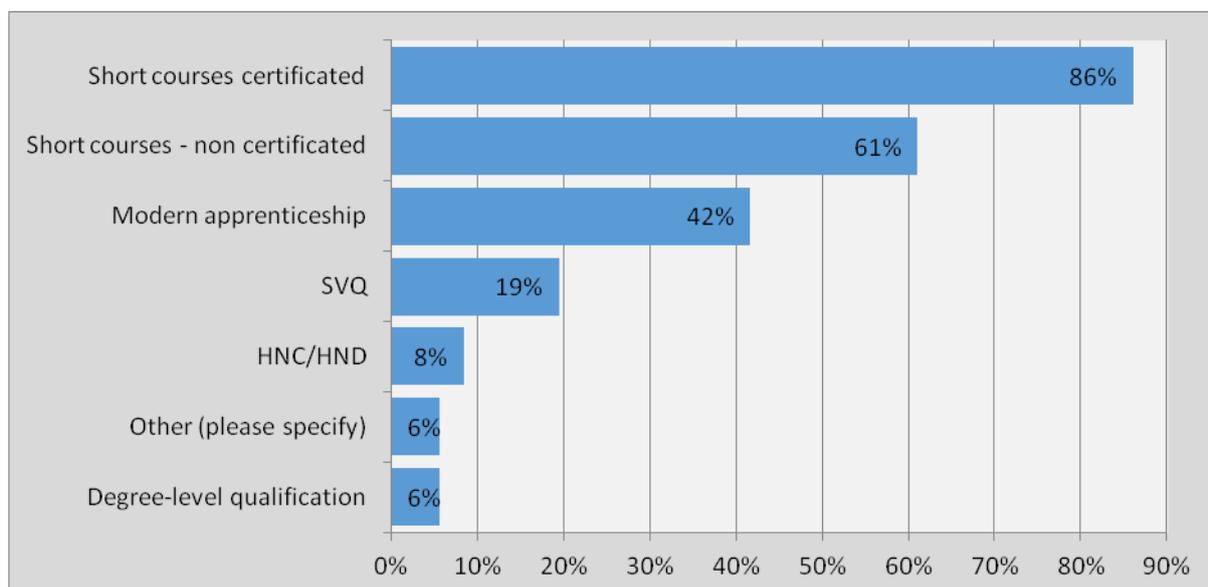
Section C - Local Training and Education Provision

Chart 3.14 – Staff training with local colleges/training providers in last 12 months (Q16)



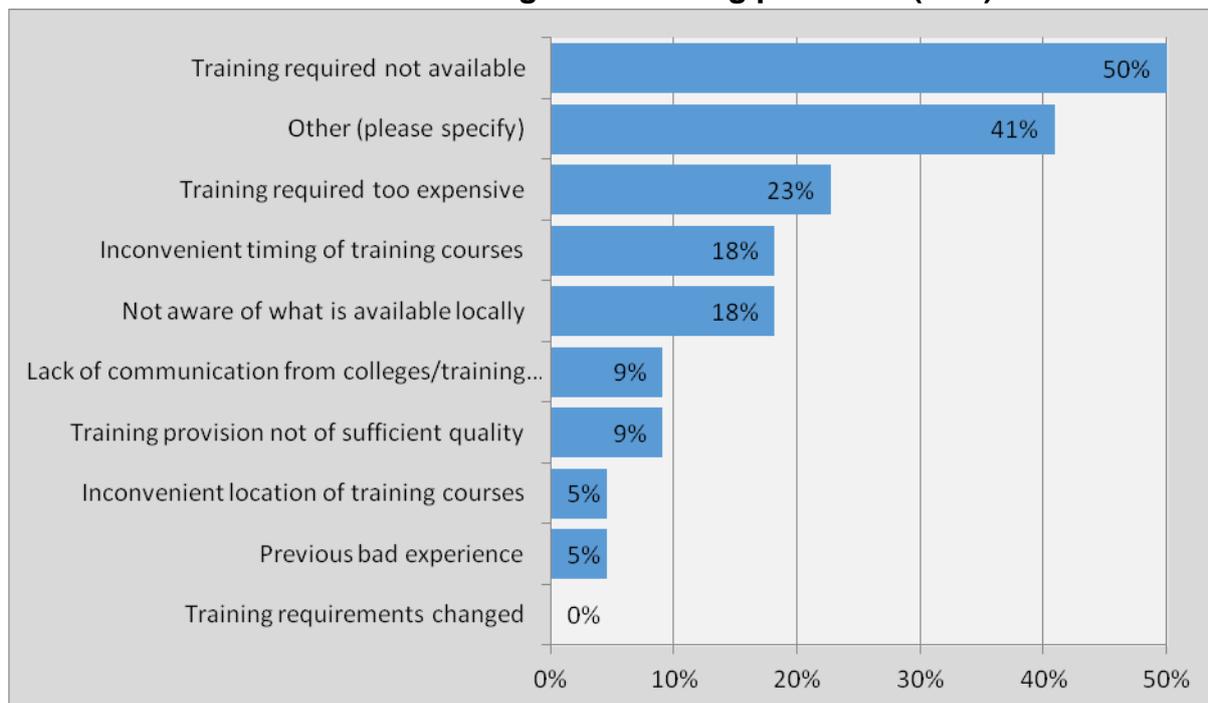
In terms of local training accessed over the last 12 months, 86% of those answering this question stated they had accessed Train Shetland Short Courses. This was almost double those that had accessed Train Shetland Vocational Training and Shetland College, 44%. 31% had accessed training provided by the NAFC, however it should be noted that training provided by NAFC is mainly sector specific.

Chart 3.15 – Type of training arranged (Q17)



The main forms of training stated by respondents to this question as having been accessed were, certificated short courses (86%), non-certificated short courses (61%) and Modern Apprenticeships (42%). Only 6% had accessed degree level qualifications, and 8% HNC/HND. Other qualifications stated included NEBOSH, and there was also comment relating to using local training providers as exam centres.

Chart 3.16 – Reasons for not using local training providers (Q18)



In terms of reasons for not using local training providers, the most frequently stated was required training not offered (50%). Issues relating to expense, timing and lack of awareness in relation to availability were stated by around 1 in 5 respondents.

No respondents stated this was due to a change in their training requirements, and only 5% cited a previous bad experience, or inconvenient location.

Other reasons stated included centrally organised training, requirements for specialist or bespoke training provision and/or accredited provision, and use of Business Gateway and/or HIE training.

When respondents were asked to specify and training provision not currently available, which should be a priority for local providers, the following was stated:-

- Advanced customer service and front of house
- Advanced skills for welding, fabrication and machining
- Bespoke IT
- Chef
- COSHH assessor
- Curriculum for Excellence practical assessment

- Fire extinguisher
- Forklift and electric pallet
- GDPR
- Hairdressing SVQ
- Health and safety
- Health and social care
- HGV and plant
- Intermediate and higher level food hygiene
- Legionella awareness
- Liaise with Shetland Construction Training group to prioritise industry training
- Management
- Marketing, sales and communication
- Personal alcohol licence
- Security industry authority
- Working at heights
- World host

Whilst there are a number of suggestions above which could be explored by local training providers, it should also be noted that some of the above is already available locally, and this might show a need for greater liaison with and marketing to local employers in relation to available training opportunities on the islands.

Chart 3.17 – Do you agree with any of the following statements? (Q20)



78% of respondents stated they were aware of how to access local skills and training. However communication and consultation with local colleges was only described as good by 24%. 68% of respondents felt that employers should be involved in the design of the local education and skills curriculum. Only 1 in 4 felt that graduates, 1 in 5 that college leavers, and 1 in 10 that school leavers were prepared for the world of work.

Respondents were asked to briefly describe their future training needs over the next 3 years. Training needs stated are listed below:-

- Apprenticeships – trade, mechanic, engineering, hairdressing, business admin
- Apprenticeships - advanced
- CFE practical assessment
- Change Management
- Child protection
- Civil engineering
- COSHH
- Customer service skills
- Decommissioning
- Driving basic/advanced/defensive/trailer towing
- Dynamics 365
- ECDIS electronic chart display
- Electrical skills
- Environmental health
- Exporting/selling to international markets
- Financial management, budgeting, management accounting, book keeping
- Fire safety
- First aid
- Food safety, hygiene and quality control
- Forklift operation
- Graduate recruitment programme
- Health and safety
- HNC/HND part time
- IOSH
- IT basic/advanced
- Lambing/calving
- Lantra
- Lifting plant
- Management and supervision
- Manual handling
- Marketing
- NIGG - Look at what's happening there or work with them.
- Oil spill
- Payroll /SAGE
- Personnel management
- Pool life guard
- Radio operation
- Succession planning
- SVQ plant/trade
- Team building
- Transport manager CPC

Further Comments

A number of respondents went on to make additional comments following interview, these are summarised below:-

Sector	Comment
Accommodation/ catering	Accommodation is a problem. We have had to recruit staff through agencies, some are happy to come here and gain experience then move on. There is a lack of suitable accommodation for anyone wishing to come and work if they wanted to move here. We would prefer to employ more local staff but we just can't get them.
Accommodation/ catering	Some school leavers are not really willing to work. They are unhappy to work certain hours, and may not turn up. Public transport is an issue particularly for any employees who live out with Lerwick.
Accommodation/ catering	We would like to be more involved with schools to encourage young people to enter our industry, and participate through work experience. We have provided training onsite for hospitality sector in Shetland, through the use of external trainers.
Agriculture	Agriculture training needs vary depending on the size of the croft/farm and whether they have employees. A number of agencies and organisations do offer training that is very worthwhile. Training areas to consider for the industry should include IT, for a number of reasons, mainly everything is becoming more computer based.
Air transport	We have a training co-ordinator who is centrally based and organises training. We are looking at succession planning across the company, and would like to identify and employ school leavers who could be trained up in-house. We have been speaking to local schools as many of our current management team joined the company in this way. We don't expect people to be qualified or trained before they come to us. We are happy to consider all options for trainees. We want to be able to offer careers with the opportunity for development to local people.
Aquaculture	Aquaculture sector has similar issues throughout. It's hard to attract suitable quality entrants for fish farming. We can bring in graduates from the EU but it is hard to hold on to them. If they are really good they may get poached. Some people only enter the industry if there is no other option. The sector pays well and offers loyalty bonuses. The wage is slightly less than working for workboat companies, who offer two weeks on and two weeks off. This is attractive for some workers, and we have lost some employees to these companies. We struggle to get workers in the North Isles. There are a lot of Eastern Europeans working in processing. If we had more interaction with schools and careers advisors, we could help raise the image and dispel myths. Attendance at a fair isn't the best way to do this, and we would prefer to go into individual classes and organise visits to factories and farms. A lot of employees come to us later in life from other careers. Most MA's are not school leavers

Business services: financial/real estate	Our vacancies are dealt with centrally to begin with. Candidates have to pass a number of tests before they get to the interview stage. The ones we see are those that have been successful in getting to that stage. Most of our training will be specific to our business and organised centrally. Schools leavers could be more prepared. We are involved in the schools work experience programme.
Business services: IT/computer related	We would love to be able to recruit more local people. It is very difficult to find people with the required skills for our industry.
Business services: technical/professional	A lot of training is provided centrally for all our offices. It is quite tailored to our industry needs. We need to look to the future as more and more of our work will involve technology. This has changed over the years from traditional systems to clients doing more with web based software, cloud based services etc. We would be interested in locally based management training.
Business services: technical/professional	It is frustrating not being able to find out when courses will run locally e.g. NEBOSH and IOSH. We have been on waiting lists for these courses for a considerable period, making it difficult to plan staff training when you don't know when they will run. A number of courses have also been cancelled at short notice, which is also frustrating.
Communications	We are a certified exam centre for workers within our sector, so others locally can come here to sit exams. It was easier to become a certified centre and be able to sit exams here.
Construction	We have been fortunate that most of the applicants for our jobs had the skills we were looking for. Admin posts tend to get a lot of applicants. We would like to be able to go into schools to tell them more about the construction industry and the opportunities available. We did do this in the past. The focus now for schools would seem to be encouraging more young people to go into higher education, rather than pursue vocational training /trades.
Construction	Schools leavers could be better informed if employers could get into schools. Work is a different environment to school. Some are ready and some are not. We tend to speak to school leavers at S4 but we should be speaking to them at S2 and S3. We have good communication with the construction section at college. We work together to speak to young people. With planned construction work in the islands, we could do with a lot more joinery apprentices to keep up. It has been a problem filling construction apprenticeships both last year and this year. Schools are pushing for FE and university. When the gas plant came it took a lot of young folk from construction to engineering. There was more money in that, but our hands are tied with apprentice pay. The company pays apprentice. CITB pays for all flight and accommodation. There isn't enough volume to justify local training. If builders could discuss with SIC what is happening re big capital projects, we would be in a much better position to plan workforce training. Vocational pathways are very good. CITB now can't go into schools due to cutbacks or

	<p>the careers day. The focus is to support existing apprentices. This is a backward step. Hoping to get a development officer to promote the careers industry in schools. Managing your own feelings and/or the feelings of others is a subject which is not well covered in the sector. Nor is depression, drinking and drug abuse, and these are areas where courses could be developed.</p>
Construction	<p>Most of our training is sector specific and not available here. The sector needs apprentices to develop. We would like to be able to reach school leavers, to encourage them to enter the industry.</p>
Fish catching	<p>Training is a vital requirement of the fishing industry. There will be gaps in the need for courses. NAFC does not work like this, they need minimum numbers for courses to run, and there tends to be large cohorts at irregular intervals. They need to be able to put on short term courses. It is now common for older men to re-enter education and be trained by someone with less experience in the industry. This is very challenging as a lot of people now have to retrain for tickets. Going forward if Brexit provides what we want, there will be need to service an enlarged industry. In addition it is hoped in time more processing will be done locally. Therefore core need will remain. Training will also be needed for the new fish markets and auction company. Pay is at the high end of the scale for manual labour, but there is a poor perception of the type of work and hours involved.</p>
Land Transport	<p>We continually train our staff so that they have opportunities to move up within the company. We recruit supervisors from within the team, and provide further training for them to develop as necessary. We feel this is the best way to ensure we have all the skills we need for now, and in the future.</p>
Manufacturing: other food & drink processing	<p>People coming from school don't see the food and drink sector as a career. There is a small labour pool and that makes things worse. Businesses can't expand as they can't staff bigger premises. Customer service skills are lacking. There needs to be more accommodation for workers. Some companies are considering buying houses for workers to get people up from South. Shetland also needs to get on the road more. Go to careers events outside Shetland to get workers from outside the islands. We can't sit back and hope they will come. We need to do more in the national press.</p>
Manufacturing: other food & drink processing	<p>We would like to be able to do more managerial training. Now we have two retail outlets there is a need for someone on each premises to have these skills. These are not skills our staff already have, so we need to offer training for them to be able to develop.</p>
Manufacturing: engineering	<p>We don't really have a problem with recruiting or retaining staff. Some workers have left to work for a company offering 2 weeks on and 2 weeks off. Some of the younger engineers prefer this way of working.</p>

Manufacturing: engineering	We have had to bring in staff from an agency when we can't recruit locally. This is more expensive and we also have to pay accommodation for them on top.
Manufacturing: engineering	The college day could run to be same length as a working day. This gives trainees an idea of what to expect in the working environment.
Oil supply services	A lot of our training is in-house and/or company wide. We also offer graduate opportunities where they move around the company to different sites, to learn about different areas of our business.
Other	People tend not to move around in jobs locally, and as a result skills are not shared. It may benefit the economy if more people did move around. Some training we have had has been of poor quality. Some is also more expensive, for example, a course costing £50 in Orkney costs £85 in Shetland.
Other	Some of our suppliers offer training for free. We can't often take advantage of this as we still incur travel and accommodation costs as well as time away from the workplace.
Other	We take on work experience with schools, Shetland college, life skills and used to do bridges. We are an SQC centre for core skills, and do first aid for own staff. Train Shetland can hire our trainers to provide some courses to others. We are invited to the careers convention, and link with SDS. We use SDS to advertise for modern apprentices.
Sea transport	A lot of our training also focuses on regulations and legislation. Some of the training we need is therefore specialist or niche, and only available on the Mainland. We have had to send staff to England for some specialist courses, and on other occasions have brought up specialist trainers from south. In some cases we have hosted this training, and charged a proportion of the cost to other businesses attending. Some other training we require could be offered locally and would also be utilised by other firms. We require training as part of our succession planning and personal development, as well as training in dealing with customers, and negotiation and presentation skills for selling out with Shetland. Some local training providers send course updates, but they are not proactive in contacting employers to find out needs.
Social work and other services	Public sector pay rates are higher for similar posts, and this can impact on recruitment and retention
Social work and other services	We have employed a number of modern apprentices over the years. Train Shetland have been excellent to work with.
Wholesale and retail	We employ MA's and would consider other options. We also work with Bridges, Moving On and Global Classroom.

Overall there was felt to be a lack of local staff to employ, and it was felt there was a requirement for Shetland to promote itself better to workers outwith the islands, and be more proactive in attracting workers, as well as investing in skills development for existing local workers.

There were issues with school leavers being unprepared for, or unwilling to work, particularly where positions include unsociable hours, and it was stated, regardless of age, that workers tend to move to employers where work patterns better fit their lifestyle. Both a lack of accommodation and public transport were felt to be issues that limited recruitment and retention of workers, and having to recruit staff through agencies was cited as an expensive means of securing labour. It was stated in some sectors, particularly care, that public sector pay rates were higher for similar posts, and this can impact on recruitment and retention. It was further stated it should be remembered that not all entrants into industry are young people.

A number of respondents would like to be more involved with schools to encourage young people to enter industry, dispel myths about work, and raise the image of local employment opportunities. It was felt that organised visits to schools and workplaces could be more beneficial than, or work alongside, careers events, and that interaction should start with pupils at an earlier age. There was also a feeling that schools seem to be encouraging the pursuit of higher education, rather than vocational training /trades

It was felt both local training providers and SIC could liaise more with industry, to discuss potential future workload, and required skills and training. It was further felt that local training providers could be more proactive in terms of marketing their services to employers. Long waiting periods for training courses locally, cancellation of courses at short notice, irregular running of courses, and minimum numbers required for training were raised as issues. Increased use of IT, web and cloud based services was raised as a major change in recent years.

A number of organisations stated that training was arranged centrally outwith Shetland, over which there was no local control. There were also issues relating to specialist or business specific training. Some organisations have become accredited exam centres, for those within their industry to gain qualifications locally. Others have brought up trainers from south either solely for their own business, or with others. This was felt to be particularly relevant where regulatory requirements have to be met. The costs of accessing training courses offered on the Mainland, was highlighted in terms of travel and accommodation costs, as well as staff time.

4.0 Conclusions and Points for Potential Further Action

Following a survey covering 21 sectors within the Shetland economy, it was found that 88% of employers had had vacancies over the last 12 months, with an average of 6 vacancies per employer. Almost half of all vacancies were in skilled trades, a fifth in sales and customer service, and around 1 in 7 for process, plant and machinery operatives. It is likely that if SIC data had been included caring, leisure and other service occupations would also have ranked highly.

61% had experienced hard to fill vacancies. This was mainly felt to be due to a lack of applicants with required skills, and low numbers of applicants overall. Transport, housing, low local unemployment, and employability issues with the unemployed were also felt to be issues.

Technical skills lacked by candidates for jobs mainly related to specialised skills required for the role, and inter personal skills lacked were time management, customer service and team working. A lack of multi-skilled people and poor interview skills were also highlighted. The main impacts of not filling vacancies were increased work load for other staff, and increased operating costs. Costs of agency staff, and re-advertising posts were also mentioned.

39% of respondents stated difficulty retaining staff for particular roles. The main reasons for this were felt to be location and accessibility, shift work and unsociable hours, competition between employers and poor career progression. Other issues included positions not being seen as a long-term; public transport; relocation issues, and too much choice for those seeking employment. Many of the positions mentioned under this question have traditionally been associated with a number of these issues.

80% of businesses had some form of a staff training plan, and half a training budget. Half also had some form of in-house training manager. 89% had offered off the job training in the past 12 months. This was mainly certificated and non-certificated short courses. Distance and online learning also featured.

The types of training undertaken were mainly job/role specific, first aid and health and safety. Main reasons for not arranging training were due to relevant courses not being available locally, and the expense of external courses particularly in terms of travel costs and staff time. Other issues included provision of training in-house, bespoke training requirements, as well as courses being cancelled and issues releasing staff for training.

As with job candidates, technical skills felt lacking in existing staff also related to a lack of specialised skills required for the role, as well as health and safety and advanced/specialist IT skills. Interpersonal skills lacked by existing staff, similar to job candidates, were time management and customer service, as well as managing and motivating others.

45% currently employ Modern Apprentices, with a further 35% indicating they would be interested in doing so. Graduate placement and internship were also of interest to more than half of respondents. There was less interest in Foundation and Graduate Apprenticeships, however this could be due to a lack of knowledge in relation to these schemes.

86% had accessed Train Shetland Short Courses, which was almost double any other type of local training used. The majority of this was for certificated courses. The most frequently stated reason for not using local providers, was that the required training was not offered. Issues relating to expense, timing and lack of awareness in relation to availability of training were stated by around 1 in 5 respondents. Other reasons stated included centrally organised training, requirements for specialist or bespoke training and/or accredited provision, and use of Business Gateway and/or HIE.

Respondents were asked to specify any training provision not currently available, which should be a priority for local providers. 22 suggestions were made, and whilst a number of these could be explored by local training providers, it should also be noted that some training is already available locally, and this might show a need for greater liaison with and marketing to local employers in relation to available training opportunities on the islands.

78% of respondents were aware of how to access local skills and training. However communication and consultation, with local colleges was only described as good by 24%. Again this might indicate a need for greater interaction between training providers and employers. 68% of respondents felt that employers should be involved in the design of the local education and skills curriculum, and this is also borne out by additional comments made at interview which follow. Only 10% felt school leavers were well prepared for the world of work and again this is borne out by additional comments made.

Respondents were asked to briefly describe their future training needs over the next 3 years. 41 potential training needs were stated and this could form the basis for potential initial interaction between training providers and employers

Additional comments provided showed that overall there was felt to be a lack of local staff to employ, and it was felt there was a requirement for Shetland to promote itself better to workers outwith the islands, and be more proactive in attracting workers, as well as investing in skills development for existing local workers.

It was felt there were issues with school leavers being unprepared for or unwilling to work, and that regardless of age, workers tend to move to employers where work patterns better fit their lifestyle. Both a lack of accommodation and public transport

were felt to be issues that limited recruitment and retention of workers, and having to recruit staff through agencies was cited as an expensive means of securing labour. Some sectors, particularly care, felt that public sector pay rates impact on recruitment and retention. It was further stated it should be remembered that not all entrants into industry are young people.

A number of respondents would like to be more involved with schools. It was felt that organised visits to schools and workplaces could be more beneficial than, or work alongside, careers events, and that interaction should start with pupils at an earlier age. There was also a feeling that schools seem to be encouraging the pursuit of higher education, rather than vocational training/trades. However it should be noted that this is not reflected in statistics for school leaver destination which show in Shetland 36% of school leavers enter employment, compared to 22% for Scotland overall.

It was felt both local training providers and SIC could liaise more with industry, to discuss potential future workload, and required skills and training. It was further felt that local training providers could be more proactive in terms of marketing their services to employers. Long waiting periods for training courses locally, cancellation of courses at short notice, irregular running of courses, and minimum numbers required for training were raised as issues. Increased use of IT, web and cloud based services was raised as a major change in recent years. This might suggest that increased availability of e-learning and/or blended learning opportunities locally might be beneficial to both training providers and employers.

A number of organisations stated that training was arranged centrally outwith Shetland, over which there was no local control. There were also issues relating to specialist or business specific training. Some organisations have become accredited exam centres, for those within their industry to gain qualifications locally. Others have brought up trainers from south either solely for their own business, or with others. This was felt to be particularly relevant where regulatory requirements have to be met.

The costs of accessing training courses offered on the Mainland, was highlighted in terms of travel and accommodation costs, as well as staff time. Again these are issues which could be possibly be addressed through greater use of e-learning and blended learning, to reduce costs, increase flexibility and improve access to training opportunities.

Points for Potential Further Action

- Shetland to promote itself better to workers outwith the islands, and become more proactive, to overcome a lack of local workers.
- Shetland to invest in skills development for existing workers, and develop a more multi-skilled workforce.
- Need to address employability issues, with some unemployed persons.
- Need to address issues in relation to accommodation and public transport.
- Need to address issues in relation to hard to fill vacancies.
- Need to invest in specialised skills required for individual role/job.
- General need to invest in interview skills, time management, customer service, health and safety, first aid, advanced IT, team working and managing others.
- Need to ensure regulatory training requirements are met.
- Need for greater interaction between training providers and employers, to better tailor training opportunities to the requirements of the local workforce, and meet identified training needs.
- Need for greater marketing of locally available training.
- Need to address long waiting periods for training, cancellation at short notice, irregular running of courses, and minimum numbers required for training.
- Need to increase local availability of e-learning and/or blended learning.
- Potential to explore additional interest in modern apprenticeships.
- Potential to explore graduate placement and internship.
- Need to disseminate information in relation to foundation and graduate apprenticeships.
- Desire from employers to be involved in the design of the local education and skills curriculum and to become more involved with schools, including more face to face interaction and interaction at an earlier age.
- Need to better prepare school leavers, in particular, as well as college leavers and graduates for the world of work.
- Need to address costs of accessing training courses offered on the Mainland, perhaps through more local provision, distance or on-line learning, or access to ADS for training purposes.