



Skills
Development
Scotland

**Scotland's workforce: realising a
generational opportunity**

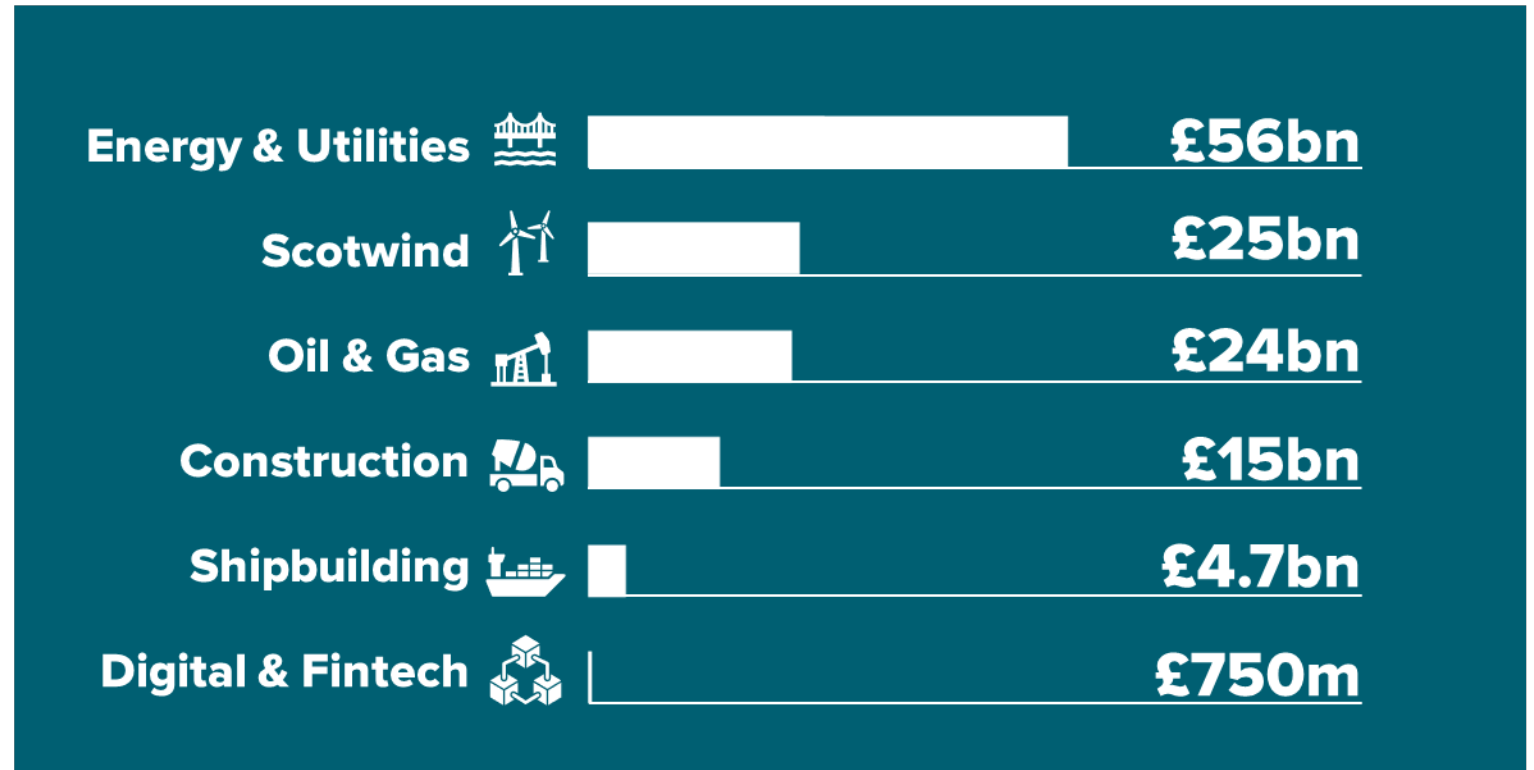
A generational opportunity....

Up to
£230Bn

The opportunity: a £230bn generational investment in Scotland's infrastructure and economy

Across a range of key sectors we can evidence investment in the region of £230bn in the next decade.

Our evidence is based on current and known projected public and private investment, presenting a unique opportunity to deliver a 'just transition' and tangible lasting benefit for the people and businesses of Scotland, **helping grow the economy, tackle the climate emergency, reduce poverty and generate revenue for public services.**



Unlocking opportunity

**Workforce
Development**

Unlocking the opportunity: driving economic growth with a shrinking working-age population

Scotland faces a complex interplay of pressing short and longer term demographic, labour market and funding challenges that pose significant risks to sustainable economic growth.



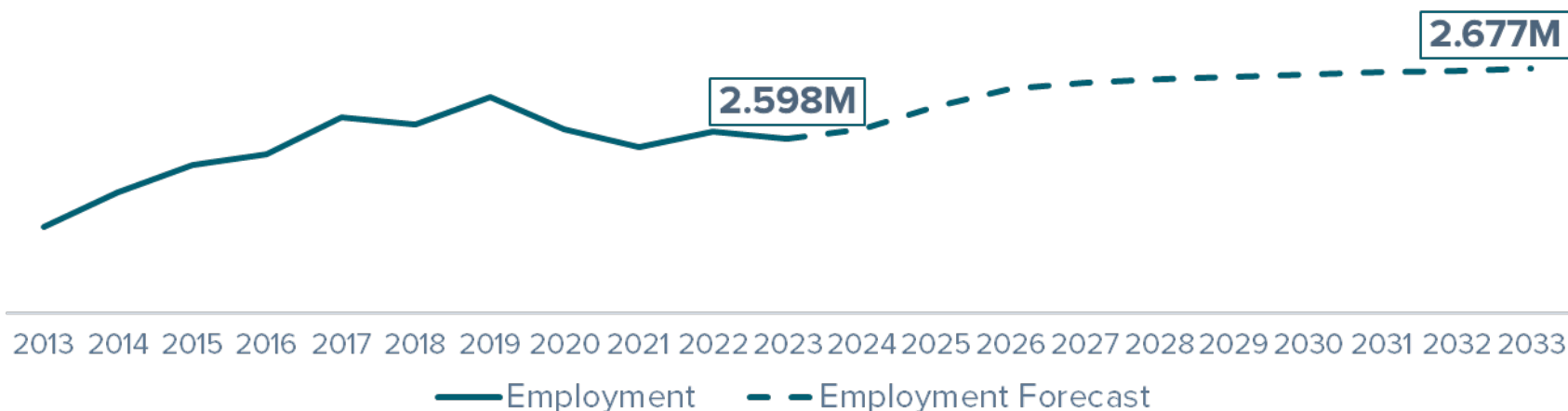
Shrinking working age population



Labour market shortages



Economic inactivity



More than 1.1 million people required over the next 10 years to fill job openings created by economic growth and to replace workers

Workforce demand aligned to economic opportunity

critical need for skilled workers identified

Energy distribution and transmission

- Demand for 290,000 workers across the UK in next 5 years
- Identified 50 pinch points or critical occupations

Engineering

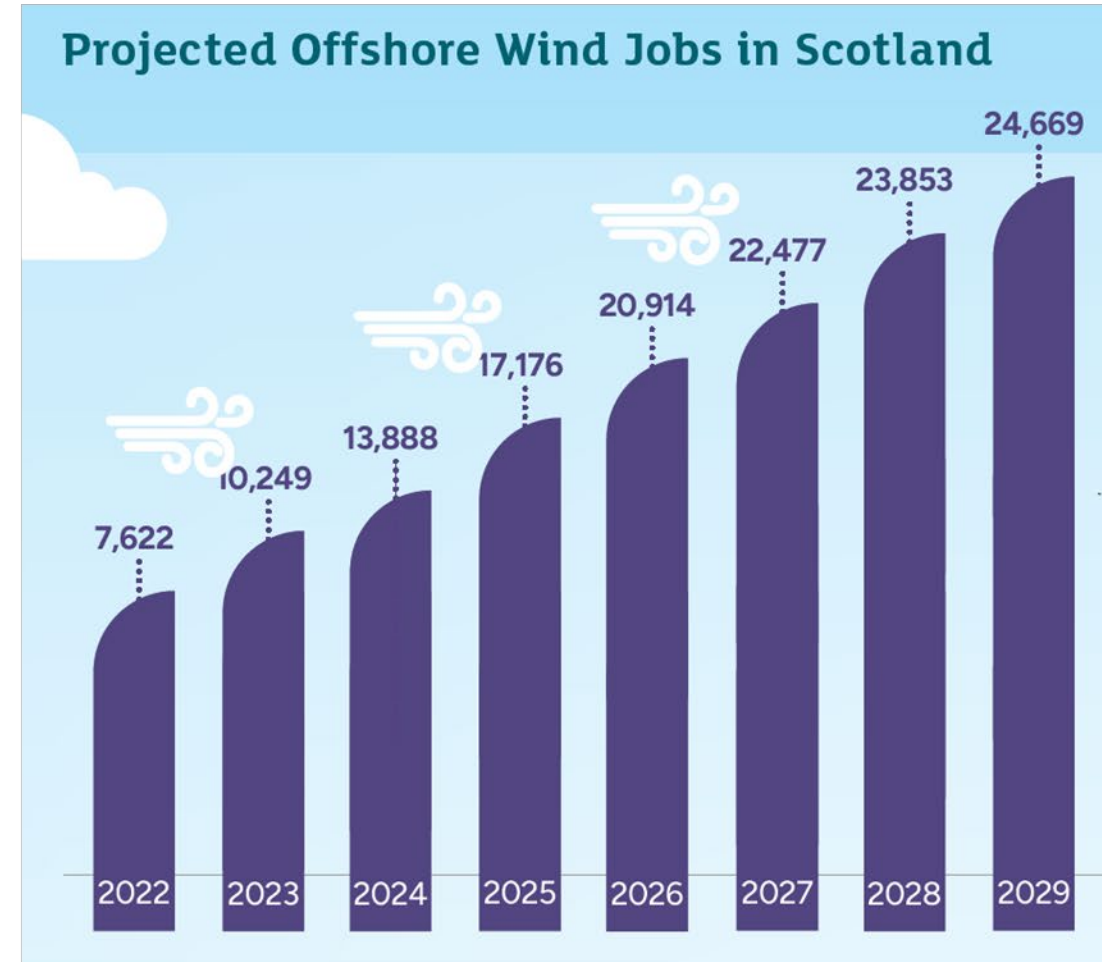
- 30% increase in demand in 2025, rising to 60% in 2027 in Scotland
- Gaps identified in capacity to meet training requirements

Offshore Energy

- All Offshore Energy jobs increase from 77,000 to 98,000 by 2030
- Offshore wind investment split between Construction and Installation (37%) and Manufacturing (43%) projects.

Competition for workforce and skills

Many of these skills will be in demand across several areas of economic opportunity



Workforce development driven by...?

1

Expanded provision of industry intensive, vocational education & technical skills

2

Expanded & more dynamic apprenticeship pathways

3

Agile, fast paced, upskilling for Scottish workers/businesses

4

Promote & attract working age families to live and work in Scotland

5

Rapid retraining for redundant workers & economically inactive to get back into work

Engineering and related disciplines absolutely core to this workforce expansion



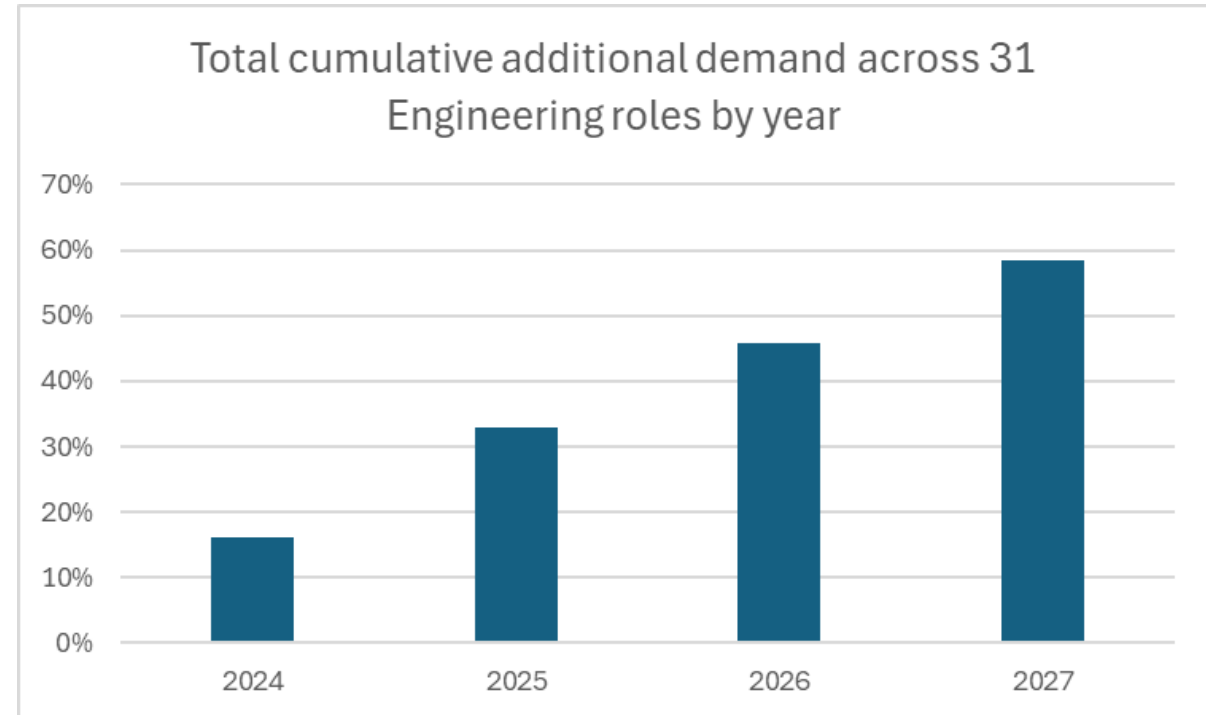
Engineering Skills for Scotland
Survey Findings January 2025

Engineering Skills Demand to 2027

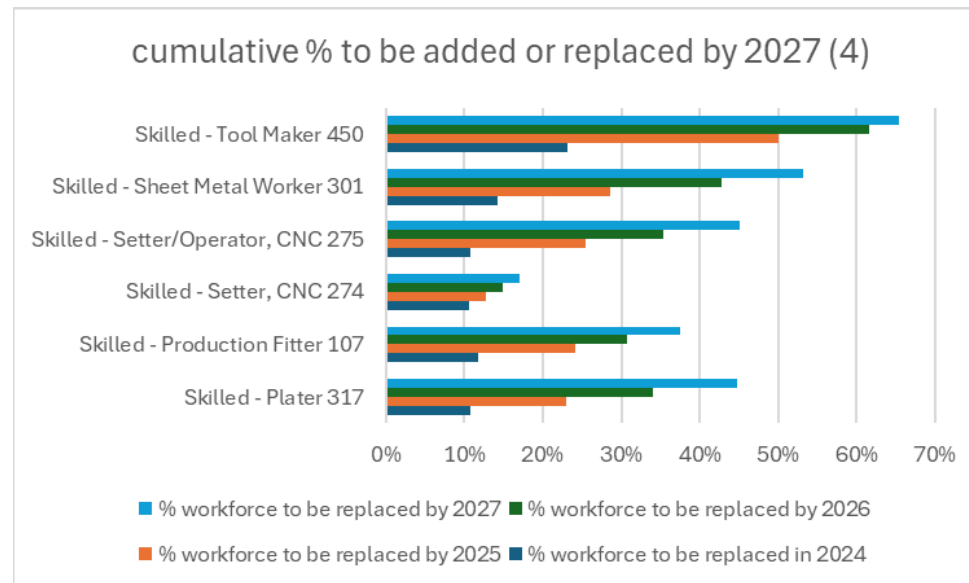
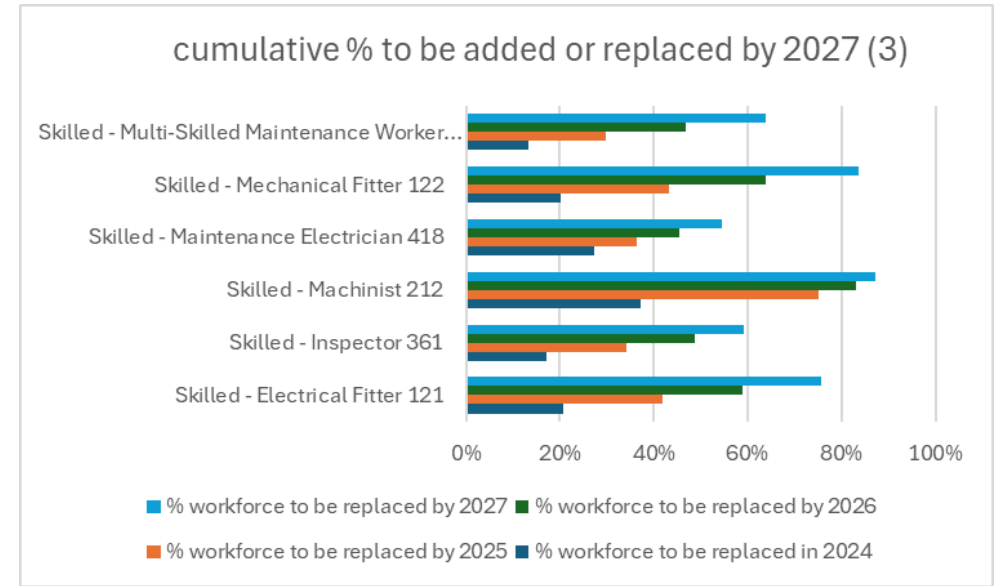
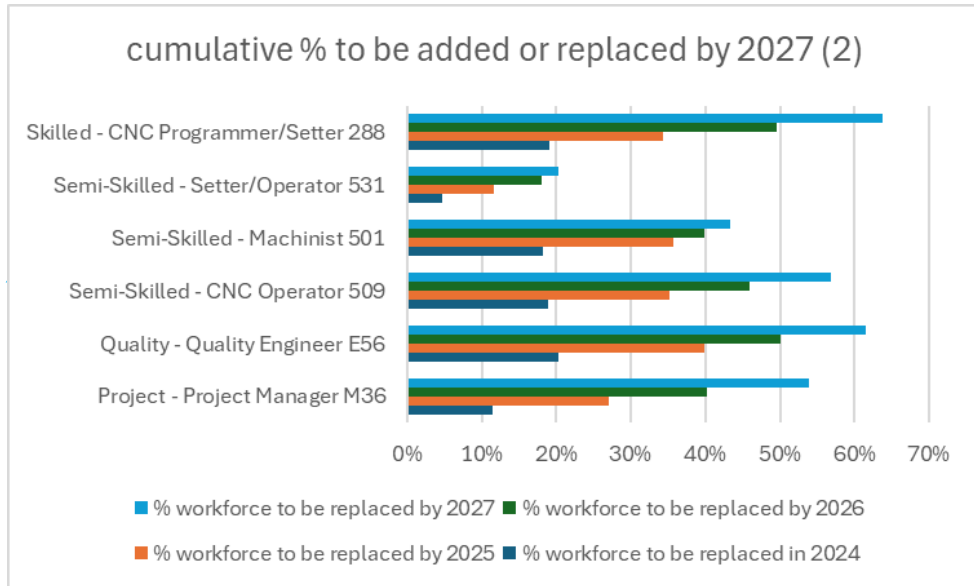
Survey snapshot



- > 70 engineering companies
- > Representing 10,169 employees or 6% of sector
- > 31 roles surveyed; 7 degree qualified, 24 apprenticeship/work-based learning
- > Broad sectoral representation: Defence, Aerospace, Space, Food and Drink, Automation, Electronics, Biomedical, Automotive, Precision Mfg, Plastics Mfg, Fabrication, Equipment Mfg, Energy, Digital Engineering, Electrical equipment, Electronics, Consumer goods; Battery Mfg, Foundry and Forging, Mining and Quarrying, Food Mfg equipment, Marine Engineering, Logistics, Packaging, Coating Technologies

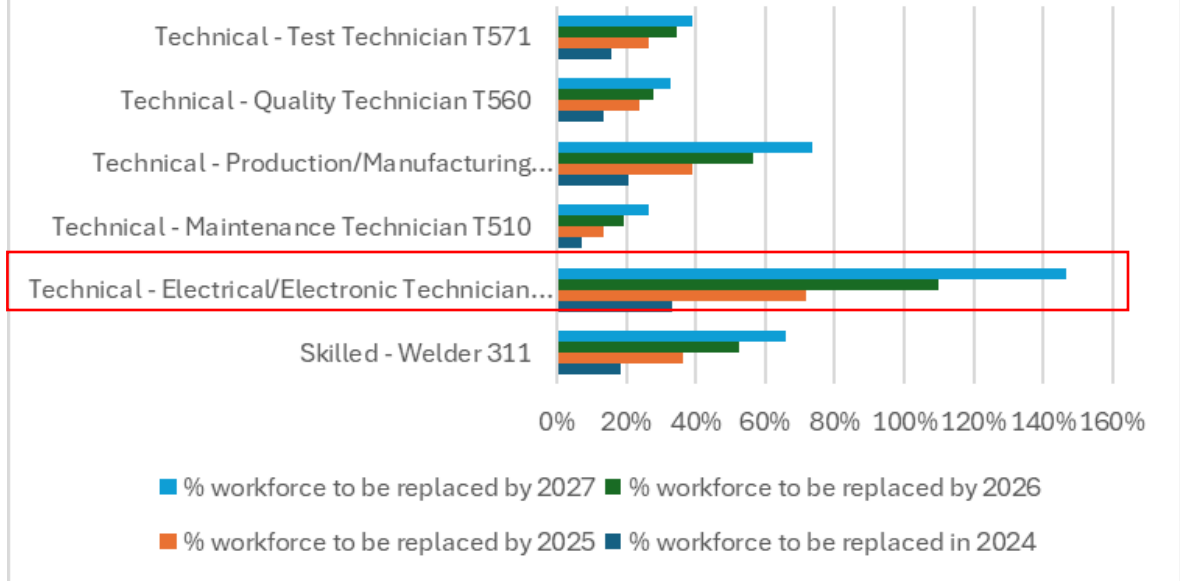


Engineering Skills Demand to 2027

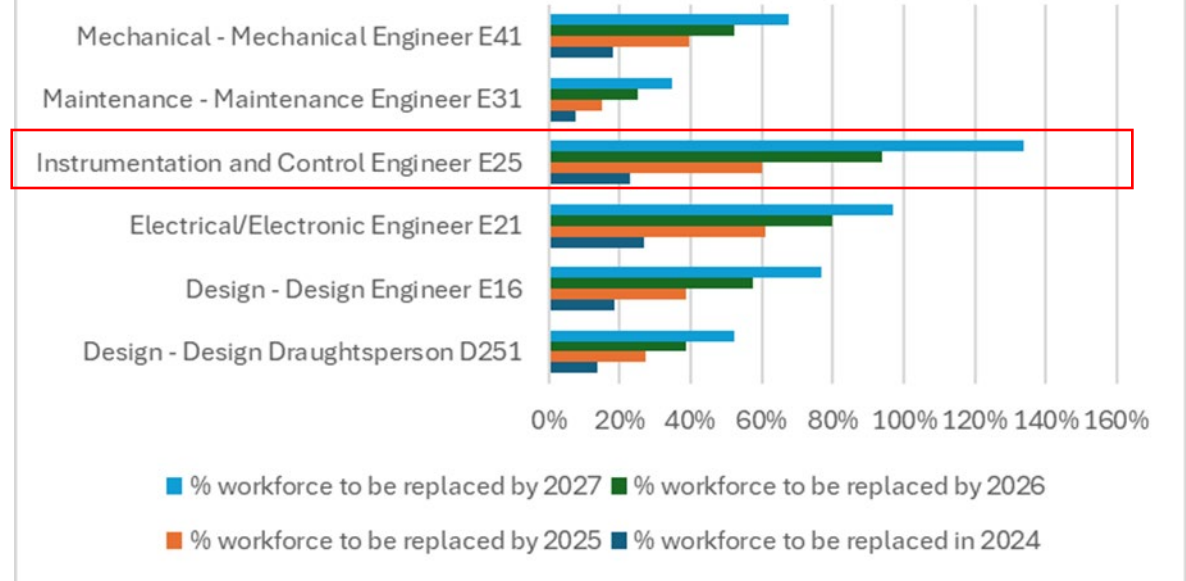


Engineering Skills Demand to 2027

cumulative % to be added or replaced by 2027 (5)



cumulative % to be added or replaced by 2027 (1)

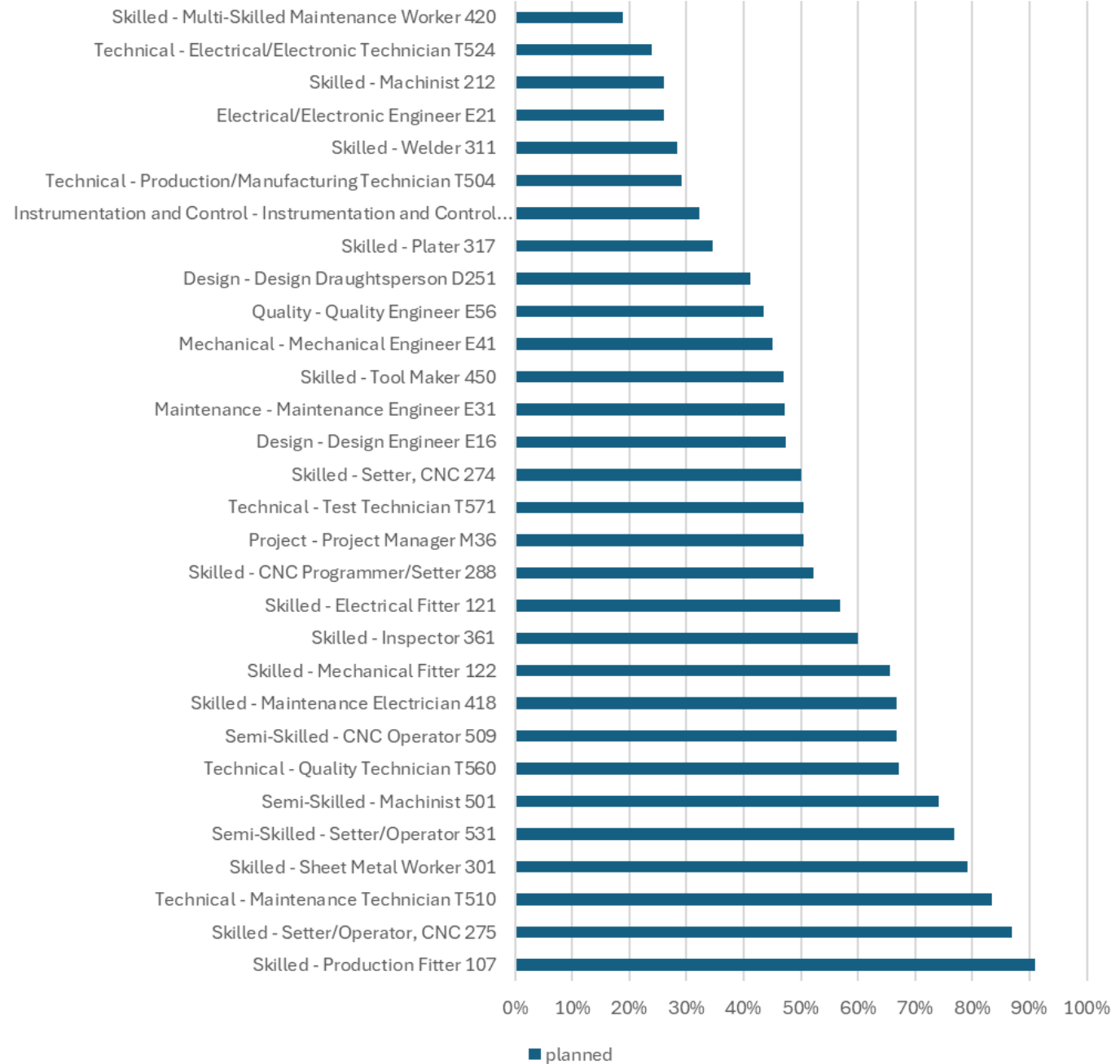


Engineering Skills Demand to 2027



- > 17 of the 31 roles have an intent of 50% or less planned to train in house
- > Instrumentation and control engineer – 134% demand, 32% plan to train
- > Skilled welder – 66% demand, 28% plan to train
- > Electrical/Electronic Technician – 147% demand, 24% plan to train

Plan to train staff in-house per year (% of total demand)



Skills Gap: Industry's Ask to Address Skills Crisis

Proposal	Why	How	Outcome
Reset so that every apprentice place requested by an engineering/mfg company is at least funded (not true today)	Employers want to create jobs, applicant oversubscription want to take the jobs...	Increase share of skills budget to work based learning- self-funding from the job tax take	Create significant increased eng apprenticeships per annum

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Incentivise SMEs to increase the number of engineering apprentices they take on to rapidly increase the pipeline of skills	Because market response has failed, won't change unless influenced and there is need to front end load response to correct	For SME's with >5% apprenticeship heads vs total FTE headcount; provide significant incentive	Good training intent will be rewarded and enabled to oversupply market, low intent incentivised to train

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Enable group apprentice schemes to maximise the use of available training capacity	FDI's without base will need skills developed in advance	Follow existing working examples of best practice group schemes	Intact reputation for Scotland as an inward investment location