

July 2020

The Expert Group on Future Skills Needs Statement of Activity 2019



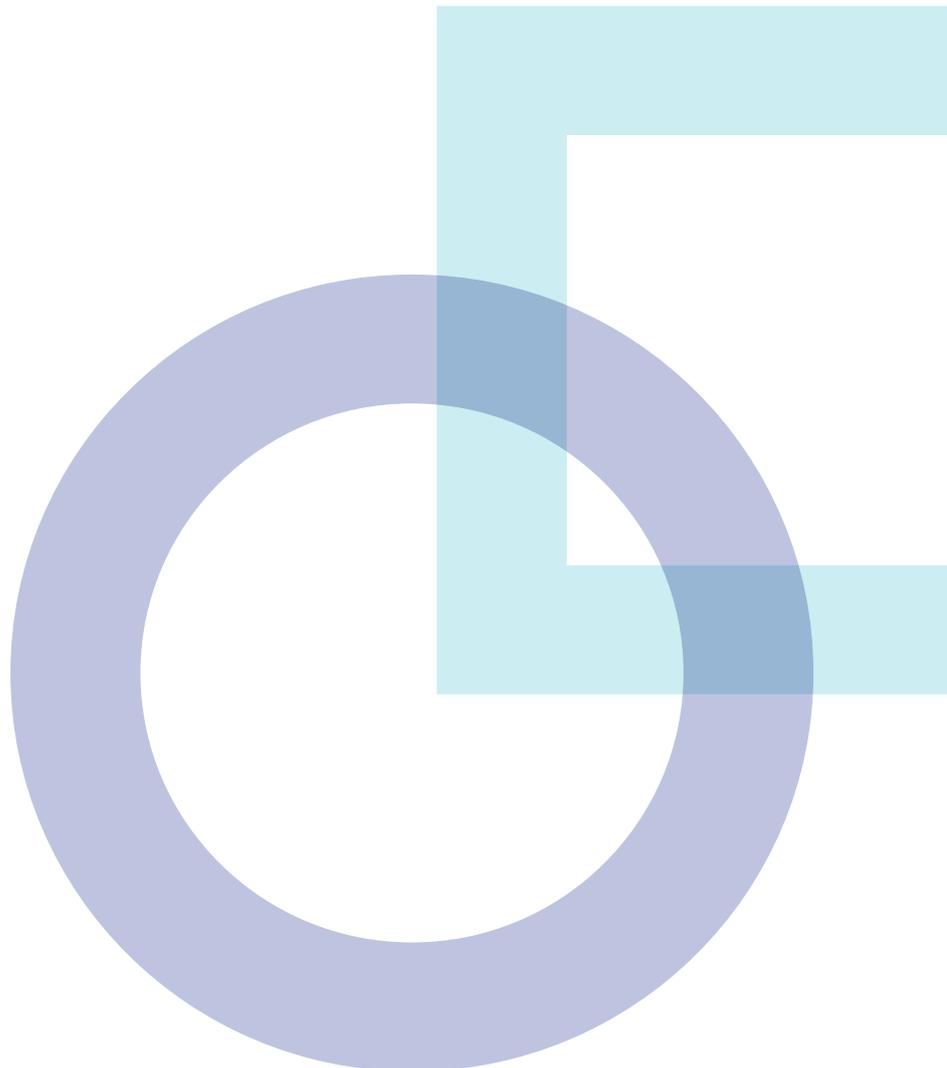
National Skills Council



Expert Group on
Future Skills Needs

> Contents

Chair Foreword	2
Introduction	5
1. EGFSN Research and Analysis in 2019	7
2. Other Activities & Policy Inputs by the EGFSN in 2019	13
3. Implementation of Recommendations in EGFSN Reports	16
4. 2020/21 Work Programme	21
Appendix 1: Recent Publications by the Expert Group on Future Skills Needs (2013 – 2019)	29



> Foreword

The Expert Group on Future Skills Needs (EGFSN) is an independent, non-statutory body comprising representatives from business, the education and training sector, the enterprise development sector, the trade unions and government departments. It plays a key role in identifying current and future skills needs of enterprises, advising the Irish Government on these needs. This Activity Report provides a summary of the work of the EGFSN in 2019, and outlines some of the main areas which the Group is addressing in 2020/21.



At the time of writing, it is impossible to avoid mentioning the crisis that is affecting all areas of life across the globe. The Covid-19 pandemic has already had a devastating impact on citizens' health and wellbeing. Indigenous enterprises and multinational corporations have paused production in all but essential goods and services. Global governments will need to come up with innovative ways to support businesses to emerge from this crisis. So too will they be required to assist people to get back to work in a safe environment and to help rebuild world economies. In Ireland, the government is addressing these issues with a wide array of supports and services for individuals and enterprises.

Reflecting on the EGFSN's remit, 2020 and 2021 will be a challenging time. It will require the Group to focus on skills development through a new lens. In the past few years, skills forecasting has taken into account the impact of external factors on the development of skills planning strategies. Brexit, digital transformation and climate change are just some of the issues that have been considered during our research. These factors remain important. However, recent events have been of such a magnitude that we will be quite rightly challenged to assess whether priority areas for skills development outlined in our reports remain the right ones. For example, skills analysis and forecasting will have to take the implications of further future-proofing against global pandemics into account.

The refreshing of the framework for skills identification in Ireland clarified the role of the EGFSN as a key research and analysis body to inform the National Skills Council (NSC) on the prioritisation of skills development. Considering the consequences of the coronavirus pandemic, it will be even more important that the EGFSN's research is robustly future-proofed. Providing the appropriate skillsets for the current and future workforce to support their employability and the sustainability of Ireland's enterprise base has always been the EGFSN's goal and, given a dramatically changed labour market, this work is more important than ever.

In 2019, the EGFSN carried out work analysing the skills challenges and opportunities in the construction sector. Strand 1 of the research was a stocktake of strategies that had been published between 2008 and 2018. It was found that there was a high level of commonality across the strategies/reports in terms of themes. Further strands of research, outlined in Chapter 1 of this report, will continue into 2020.

Work on the analysis of design skills needs that began in 2017 with Winning by Design continued in 2019. Together for Design builds on the earlier work, focusing on the three design disciplines identified as important for Ireland, namely digital, product and strategic design. Together for Design looks at the future demand for these design skills over the years 2020-2025.

Technology Skills 2022 - Ireland's Third ICT Skills Action Plan was published in 2019. It was jointly developed by the Departments of Education and Skills, and Business, Enterprise and Innovation. It is being implemented by a High-Level Steering Group, consisting of Government, industry and education and training system stakeholders and was informed by the report Forecasting the Future Demand for High Level ICT Skills in Ireland, 2017-2022, which was published by the EGFSN in 2019.

The 2020/2021 work programme includes significant research on the skills required to deliver the ambitious national targets that have been set for housing, infrastructural development and sustainability within the built environment; the low carbon skills that will be required to deliver the Climate Action Plan 2019; and the management skills of SMEs in Ireland with a view to developing the management practices associated with firm productivity, growth, employment and survival. These continue to be highly relevant skills challenges. However, in the light of the unprecedented events of recent months, the EGFSN looks forward to working with the National Skills Council and other stakeholders in identifying other priorities in a response to a constantly evolving and unpredictable economic environment.

Tony Donohoe

Chair of the Expert Group on Future Skills Needs

“Reflecting on the EGFSN’s remit, 2020 and 2021 will be a challenging time. It will require the Group to focus on skills development through a new lens.”

> Introduction

The Expert Group on Future Skills Needs (EGFSN) has the task of advising Government on future skills requirements and associated labour market issues that impact on enterprise development and employment growth.

Specifically, the EGFSN:

- Carries out research, analysis and horizon scanning in relation to emerging skills requirements at thematic and sectoral levels. Steering Groups comprising of experts from relevant enterprise sectors and the education and training sector may oversee sectoral research studies to be undertaken or commissioned by the EGFSN. Drawing on statistical input and analysis from the Skills and Labour Market Research Unit (SLMRU) and consultation with the enterprise/education experts as part of the study, draft reports setting out the projected needs are prepared by the EGFSN.
- Engages with the Higher Education Authority (HEA), the Further Education and Training Authority (SOLAS), Quality and Qualifications Ireland (QQI), the Regional Skills Fora, education and training providers in the course of its research.
- Engages with DES, HEA, SOLAS and other relevant bodies to produce agreed action plans to address the skills needs identified.
- Submits the findings of its research and agreed Action Plans to the National Skills Council prior to publication.
- Disseminates its findings to the Regional Skills Fora and other relevant groups.

Research and Analysis Resources

The research, analysis and administration support to the EGFSN is provided by the Department of Business, Enterprise and Innovation.

EGFSN work undertaken by the Department of Business, Enterprise and Innovation is part-funded from the National Training Fund (NTF), through the Department of Education and Skills. In 2019, €507,000 was spent from the NTF towards the cost of this work.

Members of the Expert Group on Future Skills Needs

- Tony Donohoe, Chairperson – Policy Advisor, IBEC appointed 2017
- William Beausang, Assistant Secretary, Department of Education and Skills
- Ray Bowe, IDA Ireland
- Keelin Fagan, Manager Client Management Development and Client Skills, EI
- Joan McNaboe, SLMRU, SOLAS
- Kathleen Gavin, Principal Officer, Department of Education and Skills
- David Hegarty, Assistant Secretary, Department of Business, Enterprise and Innovation
- Dr. Vivienne Patterson, Higher Education Authority
- Dr. Laura Bambrick, ICTU
- Shauna Dunlop, SOLAS
- Kevin Daly, Principal Officer, Skills and Education Unit, Department of Business, Enterprise and Innovation (also EGFSN Head of Secretariat)

1

EGFSN Research and Analysis in 2019

> EGFSN Research and Analysis in 2019

Delivering skills for Ireland's economy

In 2019, the Government unveiled its Future Jobs programme, which put the emphasis on quality jobs, participation, improving productivity and building resilience. It looked to the future and aimed to secure the gains achieved since 2012 to ensure Ireland's economy is safeguarded from challenges, including Brexit, and other external threats that may arise. The work of the EGFSN in 2019 aligned with the objective of the Future Jobs programme. However, no one predicted the external threat that is Covid-19, a pandemic that appeared in China in December 2019.

Given the unprecedented challenges that the Covid-19 pandemic poses in 2020 and beyond, the economic resilience promoted in the Future Jobs strategies will be tested. The growth in the economy and the gains made since 2012 will have taken a hit. However, Ireland entered the global crisis in a strong position economically and while bruised, will grow again. Government will take steps to ensure that all viable businesses will be supported, and that Irish people can develop skills to meet the challenges of returning to a changed workplace.

The EGFSN will play a part in this recovery journey. In recent years, the EGFSN has analysed the availability of the required skills and talent base arising from the opportunities arising from the growth economy, including those opportunities brought by the fourth industrial revolution, including AI, blockchain and the general digitalisation of the economy. In 2020 and beyond, the EGFSN will need to use its resources to identify the skills required for the economy to recover and to rebuild the capacity of Ireland's workforce so that it can contribute to the recovery. Digital transformation will not delay its path because of coronavirus; nor will society allow for delays in rolling out the necessary actions to meet our climate change obligations.

The EGFSN is committed to carrying out research into emerging skills needs and is a key component of Ireland's skills architecture. It identifies the skills required by enterprises across occupations and sectors. It provides information to all relevant policy makers and education and training providers to support the alignment of programmes with employers' needs and underpins labour market activation programmes. Its reports and analysis can assist individuals to make informed decisions around employment opportunities and career choices.

It will continue to do that in the challenging times ahead and will feed into the deliberations of the National Skills Council (NSC),¹ where priority areas can be identified and addressed.

1 The National Skills Strategy 2025 published by Government in January 2016 and the Action Plan for Education 2016 to 2019 provided for the establishment of the National Skills Council (NSC) to look afresh at the issues surrounding labour market skills needs and to prioritise the delivery of the identified skills needs. The NSC had its first meeting in 2017.

Outlined below is a description of the work that the EGFSN carried out in 2019:

Together for Design

Winning by Design provided evidence that design skills are key in developing Ireland's innovation ecosystem. It provided an introduction to design skills. *Together for Design* builds on this foundation, focusing on the three design disciplines identified as of importance for Ireland, namely digital, product and strategic design. *Together for Design* looks at the future demand for these design skills over the years 2020-2025. The report combines desk research, quantitative and qualitative analysis, with engagement with the design community through open consultations including key interviews, surveys and three co-design workshops.

Ireland's design skillsets need to be at the forefront of global developments in order to be able to compete and be recognised as a leading centre of design excellence in Ireland. In order to meet the demands for these leading-edge skillsets, it is vital that the education, enterprise and design communities come together to ensure there are sufficiently qualified graduates to supply the workforce of the future.

The research:

- Reviews the main trends and drivers of change impacting on the industry's current future skills and competencies requirements;
- Reviews international policy to determine best practice in design skills provision;
- Carries out a modelling exercise to determine the future design skills requirements for enterprise over a 5-year period to 2025. This will include a low, high and central demand forecast scenarios;
- Includes a set of policy recommendations, the implementation of which will be overseen by the EGFSN Secretariat.

This study was completed in 2019 for publication in 2020.

Construction Skills

As part of the Expert Group on Future Skills Needs' 2019 Work programme, it committed to undertaking an analysis of the Skills Needs of the Construction Sector.

The research was divided into three strands, with two preliminary strands intended to inform the shape and focus of a prospective detailed Construction sector skills analysis to be undertaken by the Expert Group on Future Skills Needs: the first strand undertaken by the EGFSN Secretariat and the second was commissioned by the Investment Projects and Programmes Office in the Department of Public Expenditure and Reform:

- An assessment of the Government and industry Construction Strategies (SLMRU, EGFSN, Forfas, Construction 2020, CIF, Property Services Ireland), and their associated skills recommendations, published between 2008 and 2018: This sought to establish any common themes in the recommendations; if the recommendations were implemented, and the progress that has been made to date; and the effectiveness of this implementation.
- An analysis of the productivity performance of Ireland’s construction sector: This involved a detailed assessment of productivity in the Irish construction sector, addressing the root causes of productivity performance in various elements of the supply chain; and a detailed action plan for new approaches to drive improvements through public policy and industry actions.

The third strand of this research, a broader Expert Group on Future Skills Needs construction skills analysis is described in Chapter 4.

The assessment of Government and industry Construction Strategies between 2008 and 2018 was undertaken by the EGFSN Secretariat and in 2019. The paper represents a stocktake of the initiatives undertaken as part of the 2008-2018 strategies and action plans, which can help inform the understanding of the skills challenges, as well as the skills opportunities, in the construction sector into the future. The period 2008 to 2018 was one in which the construction sector declined from unsustainable highs of output and employment, to lows in the early part of this decade. A tentative recovery began, however, from 2013 onwards, and the sector has maintained a positive growth trajectory in the intervening years. This growth was expected to be maintained in the delivery of important Government initiatives such as Rebuilding Ireland, Project Ireland 2040, and the Climate Action Plan.

On the skills recommendations put forward over the period 2008 to 2018, the research set out to determine: whether there have any been any common themes across the recommendations contained in these strategies and action plans; if these recommendations have been implemented and the progress made to date; and whether this progress has been effective.

It was found that there was a high level of commonality across the strategies/reports in terms of themes. These included:

- **Measures to boost skills/labour supply within the construction sector**, including through stimulating enhanced employer demand for apprentices, marketing Construction as a viable career option, and leveraging international sources of construction skills (Irish diaspora, Employment Permits system).
- **Alignment of education and training provision with Construction sector skills needs**, through the undertaking of a Construction sector skills analysis, the establishment of a coordinating “Construction Skills Forum”, and the development of “green” construction skills (Built Environment Sustainability, Energy Efficiency, Retrofitting).
- **Support for Construction sector export trade diversification**, through Enterprise Ireland’s developmental agenda for potential Construction exporters, Construction specific workshops, inclusion of international business/sales, government tendering modules on undergraduate programmes, and greater sectoral engagement with international graduate mobility programmes.

- **The enhancement of productivity and innovation activity** within the Construction sector, through increased engagement with management development programmes, the promotion of Building Information Modelling (BIM) and greater research, development and innovation activity.

The progress to date across these different themes outlined above has been mixed. It has been weakest in the areas of the Construction sector's engagement with management development programmes and research, development and innovation activities - although a recently established R&D forum is a promising sign in seeking to identify and promote this agenda across the sector. The record is more mixed in areas such as boosting employer engagement with the apprenticeship system, the convening of a Construction Skills Forum, the greening of Construction skills and promotion of BIM. Initiatives in all these areas have been undertaken, although to mixed results; provide a base from which further action can be taken; or involve actions that are subject to imminent, wider roll out.

By contrast, implementation of recommendations has been strongest in relation to the marketing of construction as a viable career option and the attraction of overseas talent, in particular through changes to the employment permit eligibility lists; the undertaking of Construction sector skills analyses for skills planning purposes; the alignment of education and training provision with sectoral needs; and Enterprise Ireland's activities, admittedly with a small cohort of the sector, around export diversification.

ICT Skills – Forecasting the Future Demand for High Level ICT Skills in Ireland

In 2019, the Expert Group on Future Skills Needs (EGFSN) published "Forecasting the Future Demand for High Level ICT Skills in Ireland, 2017-2022". The report is a qualitative and quantitative overview of the market, technology and service trends and demand for High Level ICT Skills in Ireland for the period 2017-2022, in the broad ICT sector and across other sectors of the economy. It was a key input into the development of *Technology Skills 2022*, Ireland's Third ICT Skills Action Plan. Similar EGFSN reports in 2012 and 2013 helped inform the supply measures contained in the first two ICT Skills Action Plans.

The EGFSN study forecasted as most likely a continued healthy ICT market, driving an increase in demand, resulting in a potential 73,000 job openings for high level ICT skills over the period 2018-2022, across both the ICT sector and other sectors of the economy. This equates to a significant growth in demand of 8.5% (Compound Annual Growth Rate).

Technology Skills 2022

Technology Skills 2022- Ireland's Third ICT Skills Action Plan was published in 2019. It was jointly developed by the Departments of Education and Skills, and Business, Enterprise and Innovation. It is being implemented by a High-Level Steering Group, consisting of Government, industry and education and training system stakeholders. The chair of the Expert Group on Future Skills Needs is a member of this High-Level Group.

The action plan is concerned with the development and attraction of 'High-level' ICT skills. These are defined as those skills required for designing, building and implementing high-level ICT systems, i.e.:

- Computer and Electrical/Electronic engineering skills at NFQ Levels 6/7 and Levels 8+
- Those skills with a combination of ICT and business/analytic/foreign language skills
- Excluding primarily ICT user skills

The actions outlined in *Technology Skills 2022* aim to deliver an additional 3,300 graduates per annum by 2022.

The Plan places a strategic focus on fully utilising the range of learning opportunities available across the education and training system to meet high-level ICT skills needs by:

- Delivering a progression pathway into ICT careers in further and higher education: Springboard (Pathways)
 - This will aim to provide an entry point at further education level with a defined progression pathway to higher education ICT programmes at NFQ levels 6 and 7. It will aim to attract learners from diverse backgrounds into ICT, with a particular focus on attracting females into the sector.
- Expanding ICT apprenticeships
 - This will entail expansion of the suite of ICT apprenticeships, and their promotion to multinational corporations as well as indigenous companies at a regional level.
- Reskilling professionals in the ICT sector through Skillnet Ireland
 - Continued expansion and development of Skillnet Ireland's ICT focussed networks through NFQ aligned programmes will encourage professionals to remain in the wider ICT sector. These will be supported by clear career pathways which highlight opportunities for companies and individuals in employment.
- Expanding provision in higher education
 - This will include a strategic focus on fully utilising the range of learning opportunities available across the tertiary education system, to deliver a range of pathways to meet high level ICT skills needs.
- Attracting International Talent
 - This aims to maintain Ireland's status as a centre for international ICT talent, both from within the EU and EEA and through enhancements made to the Employment Permits system.

2

Other Activities & Policy
Inputs by the EGFSN in 2019

> Other Activities & Policy Inputs by the EGFSN in 2019

Input into Review of Employment Permit Change Proposals

In 2019, the research of the EGFSN informed the Department of Business, Enterprise and Innovation's Economic Migration Policy Unit, which has responsibility for the employment permits system and manages the Highly Skilled Eligible Occupations List and Ineligible Occupations List.

Dissemination of information on Future Skills Needs

During 2019 the EGFSN continued to engage with stakeholders and partner organisations to ensure that information on the skills needs of the economy was disseminated to relevant parties. The Secretariat took part in many meetings and seminars and made presentations on skills needs at different fora throughout the year. In addition, the EGFSN Secretariat presented to many overseas delegations throughout the year, including those from Albania, Belarus, Botswana, Estonia and Latvia.

All reports published by the EGFSN are available on the website www.egfsn.ie. An e-alerts system is also in place to electronically distribute the group's reports.

In 2019 over 650 subscribers to the EGFSN website received e-alerts notifying them of EGFSN research publications. Subscribers also received e-bulletins promoting the work of the EGFSN and sharing stories from EGFSN partners.

Website Refresh and Social Media

2019 saw a complete revamp of the EGFSN website. The redesign of the website was brought about in light of the reframing of the role of the EGFSN within the national skills architecture that arose following the publication of the National Skills Strategy in 2016 and the establishment of the National Skills Council (NSC) in 2017. The refreshing of the framework for skills identification in Ireland clarified the role of the EGFSN as the key research and analysis body to inform the NSC on the prioritisation of skills development.

This framework continues to build on the strengths of the pre-existing set-up for identification of skills needs.

Discussions commenced within the EGFSN Secretariat on the creation of a coherent communications strategy for the EGFSN. A communications strategy was finalised and presented to the EGFSN in the summer of 2018. The establishment and operation of a website was identified as an integral part of this strategy.

It is important to note that all aspects of the EGFSN's role involves communication, whether it is advising Government on projected skills requirements; making recommendations on how to improve education and training systems and delivery mechanisms; or inputting into the Department's employment permit regime. In addition, the EGFSN has a wider audience of students, parents and other stakeholders.

The Secretariat redesigned the EGFSN website in 2019. The contemporary style of the website together with a more user-centric interface reflects the EGFSN's role in preparing the economy for future skills needs.

The legacy reports from the EGFSN dating from 1999 were transferred to the new website and are an in-depth source of knowledge for the EGFSN audience. These reports are now available and are easily searchable.

As the website was being refreshed, it was thought timely to rename the website EGFSN.ie to overcome the confusion that the skillsireland.ie domain had caused to some users. The EGFSN is shorthand for an expert group that has a defining role in the new skills architecture. Policy makers understand the EGFSN brand and it was important to promote it amongst all the Expert Group's audience.

The Secretariat worked alongside the ICT unit and the software developers to design the website to reflect all areas of work of the EGFSN. By embedding a twitter feed into the homepage, the EGFSN website remains dynamic. By creating a LinkedIn account that is accessible via www.egfsn.ie, the work of the EGFSN can be broadcast to a wider audience.

3

Implementation of Recommendations in EGFSN Reports

> Implementation of Recommendations in EGFSN Reports

Brexit Skills – Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit

The study published by the EGFSN in June 2018 - *Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit* - was a part update of two studies previously undertaken by the Group: 2012's *Key Skills for Enterprise to Trade Internationally*, and 2015's *Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland, 2015-2020*.

The report was an important contribution to the evidence base on Brexit and the Government's wider contingency planning.

Following the report's publication, the Department of Business, Enterprise and Innovation formally engaged with the responsible bodies identified in the report, including a number of Government Departments, agencies, and industry bodies, to action and formally progress its recommendations - the timelines for which, as per the advice offered by the EGFSN were both short term and longer term in nature.

This engagement took the form of a "Brexit Skills Implementation Oversight Group", which continues to meet to monitor the implementation of these recommendations and maintain a watching brief on Brexit-related skills issues more generally.

For those recommendations that were shorter term or immediate priorities - around Brexit awareness raising and skills needs identification, customs training, financial management training and the attraction of skilled personnel from overseas - these have been reflected in the work the Government has undertaken to ensure the enterprise base can respond to Brexit through enhancing its capacity to compete, innovate and trade.

The Department of Business, Enterprise and Innovation and its enterprise agencies were involved in the Government's national Brexit preparedness public information and awareness campaign and inputted into "Getting Ireland Brexit Ready".

Other actions included:

- The Department of Business, Enterprise and Innovation's establishment of a dedicated "Getting Business Brexit Ready" web portal, which includes sections on advice and guidance, financial supports, and upskilling, and was also linked to the Department's social media campaign.
- Enterprise Ireland's national and regional communications campaign urging companies to prepare for Brexit through planning, innovating, competing and diversifying their trade, which complements its promotion of the Brexit Scorecard, Be Prepared Grant, Brexit Advisory Clinics, and Act on Support programme.

- The awareness raising and outreach, as well as Brexit supports, offered by InterTradeIreland and the Local Enterprise Office network, including the Brexit Planning Online Guide, Start to Plan and Brexit Implementation Vouchers, the Brexit mentor programme, as well as Brexit related conferences, workshops and targeted radio and social media advertising campaigns.
- DBEI’s engagement with the Revenue Commissioners in the roll out of its Trader Engagement programme, the support for customs training and advice offered under InterTradeIreland’s Start to Plan voucher, the launch of Enterprise Ireland’s Customs Insights and InterTradeIreland’s Customs Virtual Learning Environment courses, and the roll out of the Local Enterprise Office “Prepare Your Business for Customs” workshops.
- The engagement by DBEI, Enterprise Ireland and the Department of Education and Skills with Skillnet Ireland to develop the “Clear Customs” free training initiative, which is aimed at building capacity in the customs intermediary sector and boosting in-house customs capacity amongst businesses that regularly trade with the UK. The initiative was developed in collaboration with the Chartered Institute of Logistics and Transport, Irish Exporters Association and Irish International Freight Association, and is delivered through CILT Skillnet.
- The publication of the Currency Risk Management for Irish SMEs guide, and support for financial and currency management advice and training under Enterprise Ireland’s Act On programme, InterTradeIreland’s Start to Plan voucher, and Enterprise Ireland’s Management Development training provision.
- DBEI’s contribution towards the roll out of *Global Footprint 2025*, which works to raise Ireland’s profile internationally, including as a place to live, do business, and invest; the implementation of the Government’s Diaspora policy, *Global Irish*; and the implementation of the recommendations of the *Review of Economic Migration Policy*, published in September 2018, which will ensure the policies governing the employment permit system are fully supportive of Ireland’s emerging labour market needs.

Establishment of the Logistics and Supply Chain Skills Group

The EGFSN’s Brexit research also highlighted the critical nature of logistics and supply chain activities to the efficiency and competitiveness of Ireland’s domestic and international trade, and how, regardless of Brexit’s impact on the Irish economy, there will be a potential demand for c.30,000 new entrants to logistics and supply chain roles in the years to 2025. As confirmed by both the 2015 and 2018 EGFSN research, however, logistics and supply chain roles suffer from a poor perception and lack of awareness, as well as a lack of defined career pathways and investment in education and training, with resulting difficulties in attracting, retaining and optimising talent.

With the need for a substantial influx of entrants into logistics and supply chain roles, the EGFSN report recommended the establishment of a Logistics and Supply Chain Skills Group. A Logistics and Supply Chain Skills Group will work to manage a coordinated response from the Logistics and Supply Chain Management sectors to promote their associated roles; and through improved linkages between employers and education and training providers, enhance the alignment of this provision with industry needs and increase the latter’s investment in increasing the skills base within the industry.

Following engagement between the EGFSN Secretariat and the prospective chair of the group, the Department of Transport, Tourism and Sport, and an initial workshop with relevant stakeholders to scope out the idea of a dedicated Skills Group, the first meeting of the National Logistics and Supply Chain Skills Group took place in Department of Transport on the afternoon of the 23rd October 2019. Its membership consists of the Departments of Business, Enterprise and Innovation, Education and Skills, Employment Affairs and Social Protection, the key industry representative organisations and education and training representatives.

The overarching goal of the Logistics and Supply Chain Skills Group is to support the promotion of careers, skills development and sustainable employment in the Logistics and Supply Chain sectors.

Objectives of the Logistics and Supply Chain Skills Group

The role of the Logistics and Supply Chain Group will be to:

- Improve the profile of Logistics/Supply Chain roles, making it easier to recruit talent including by improving knowledge among secondary students of the range of interesting roles available across all sectors, and enhance employee retention;
- Make progression pathways available to those entering or already working in the roles, particularly for those at lower skilled levels, with clear role definitions mapped to academic or other vocational awards;
- Ensure development opportunities are available to provide the required skills, knowledge and competencies;
- Monitor labour market developments in the Logistics and Supply Chain sectors, and provide insights into their emerging skills needs;
- Provide a forum for ongoing communication, collaboration and leadership by the Logistics and Supply Chain sectors in addressing the skills needs of the sectors in Ireland.

The Group has been convened for an initial period of two years and will meet up to four times in 2020 to progress its work programme.

Winning by Design

Background

*'Winning by Design: An Introduction to the Design Skills Required for Firms to Be Innovative and Competitive in Global Markets'*² was published in 2017 by the EGFSN. The objective of the report was to act as an introductory paper to establish what was meant by the term 'design' and understand how pervasive it is in our society and economy. The report identified how design is important across many different sectors of the economy and recognised that it is vital that firms engage with design for their own success. The report considers the term 'design' at its broadest definition as both a discrete sector and as a cross-cutting skillset. The term 'design' can encompass design as a strategy, visual communications, digital design, product design, fashion and textiles, and structures and places.

Winning by Design demonstrates that design has a crucial role to play in the broader concept of innovation and how it is a key component of Ireland's innovation ecosystem. The report notes how technological advancement has emphasised the need for design. New technologies not only require design features, they also give rise to new pressures on business and society. This requires the design of solutions to increasing complex problems which are often global and diverse in nature. The report highlights how design thinking can be used for problem solving and can transform the strategies of major organisations by combining processes, skills, cognitive steps and attitudes.

Winning by Design also focuses on how the definition of design has broadened from its traditional definition and the effect that this has had on design skillsets required by industry. Traditionally, design roles have been associated with problem solving and creativity. Whilst these attributes are still required, the emerging hybrids of design mean that job roles no longer fall into neat categorisation and designers are being asked to work in ways that transcend disciplines.

Following the publication of 'Winning by Design' in November 2017, the EGFSN has been monitoring the implementation of the Design Skills Report Action Plan. Additionally, reports are now being presented at the National Design Forum. The implementation of the Design Skills Action Plan was finalised in 2019, with all actions marked as complete.

2 Available from: <http://egfsn.ie/all-publications/2017/winning%20by%20design.html>

4

2020/21 Work Programme

> 2020/21 Work Programme

The National Skills Council (NSC) approved the 2020 Work Programme for the Expert Group on Future Skills Needs (EGFSN). The Work Programme is described in this chapter.

The NSC was established in April 2017 and is chaired by the Minister for Education and Skills. Its establishment arose out of the National Skills Strategy which identified that the overall architecture for identifying, prioritising and responding to skills needs should be refreshed. The NSC oversees research and provides advice on the prioritisation of identified skills needs and how to secure the delivery of identified actions. The key elements of the EGFSN model of analysis and horizon scanning, with close engagement with enterprise, continues and has been further strengthened. The EGFSN presents the findings of its sectoral studies to the NSC and makes strategic recommendations to assist the NSC and policy makers in addressing the emerging skills needs.

The Demand for Skills within Ireland's Construction Sector to 2030

The Expert Group on Future Skills Needs is undertaking a study on "The Demand for Skills in Ireland's Construction Sector to 2030". The study commenced in 2019 and will be completed in 2020. As reflected in a number of key Government strategies, ambitious national targets have been set for housing, infrastructural development and sustainability within the built environment over the coming years. These include:

- *Rebuilding Ireland*, the Government's Action Plan for Housing and Homelessness,³ which has committed to increasing overall housing supply to a baseline of 25,000 new homes annually by 2020, a baseline that will need to be maintained in the coming decades to meet expected demand;
- *Project Ireland 2040*,⁴ which sets out an ambitious long-term physical infrastructure development strategy to meet future population growth;
- The *Climate Action Plan to Tackle Climate Breakdown*,⁵ which highlights the role of the built environment in carbon emissions, and the need to substantially enhance higher energy performance standards, in particular in the period to 2030.

These ambitions have been set, however, in the context of skills shortages across a number of construction occupations, as well as a comparatively poor labour productivity performance within the Irish construction sector as a whole.⁶ Ireland significantly lags behind other countries in relation to the sector's labour productivity, as based on Gross Value Added per hour. According to the Central Statistics Office, labour productivity within the construction sector has also been falling far behind other sectors. On the whole the Irish economy has 34% higher productivity than the euro area

3 https://rebuildingireland.ie/wp-content/uploads/2016/07/Rebuilding-Ireland_Action-Plan.pdf

4 <http://npf.ie/wp-content/uploads/Project-Ireland-2040-NPF.pdf>

5 https://www.dccae.gov.ie/en-ie/climate-action/publications/Documents/16/Climate_Action_Plan_2019.pdf

6 For more on the current context of the Irish construction sector, see the Build Construction Sector Performance and Prospects 2019- <https://www.gov.ie/pdf/?file=https://assets.gov.ie/6659/3312cd28edf04f4c83666ac76b534c45.pdf#page=1>

average, while construction is 5.4% lower. This has implications for the sector's capacity to deliver on the targets set out in these strategies in a manner that serves both cost effectiveness and the competitiveness of the broader Irish economy.

Apart from issues around skills supply, recent research has identified a number of contributors to these low levels of productivity, including:

- Firm composition (i.e. a prevalence of SMEs and microenterprises), deficits in managerial capacity, and the fragmented nature of the Irish construction sector, with a lack of integration and collaboration arising from supply chain complexity; there is widespread dependency on subcontractors and agency workers, with multiple parties working to different schedules and budgets, fragmented decision making, often incompatible work processes and ill-defined risk transfer mechanisms.
- The sector's cyclical nature, and challenges that arise for the viability of firms, employment security and the capacity to invest in people and resources, as well as lack of clarity on the public sector pipeline, which is seen to restrict investment in resources, technology and training, as well as the development of specialised areas.
- The relative ease with which work can be secured by untrained individuals and reliance on non-standard forms of employment (subcontractors, agency workers), which mitigates against training and upskilling for workers with a knock-on effect on skills capacity and investment in productivity enhancing technologies.

A number of areas have been identified as key to enhancing productivity within the Irish construction sector, with the Construction Sector Group - a grouping composed of the key Government and industry stakeholders within Construction - setting out a roadmap to advance these areas in the coming years. These include, but are not limited to:

- Building Information Modelling, to support greater collaboration and a more integrated approach to management and delivery of the built environment;
- Off Site Construction, to deliver more sustainable buildings and infrastructure, through a reduction in waste (with precision and automated production processes), inefficiency and delays often arising with onsite construction projects;
- The Circular Economy, which offers the opportunity to embed resource efficiency, material recycling and reuse within the sector, including the use of innovative, low carbon, zero waste materials.

The *Climate Action Plan* has also set ambitious targets for enhancing the energy efficiency performance of Ireland's built environment, which in 2017 accounted for 12.7% of greenhouse gas emissions. Ireland's homes use 7% more energy than the EU average and emit 58% more CO² equivalent. The action plan targets a 40-45% reduction in CO² e.g. emissions from the Built Environment sector relative to 2030, through measures such as the sharp reduction in the use of fossil fuels, the completion of 500,000 building retrofits to achieve a B2 BER minimum, the installation of 600,000 heat pumps, smarter design, and more stringent building regulations, in particular the mandating of NZEB for all new buildings.

“The 2020/2021 work programme includes significant research on the skills required to deliver the ambitious national targets that have been set for housing, infrastructural development and sustainability within the built environment.”

In order to properly support the delivery of these Government ambitions across housing, infrastructural development and climate change mitigation, there is a need to identify and plan for the skills required to enhance the productivity, as well as the broader environmental sustainability performance, of the built environment sector in the coming decade. This study will seek to:

- Identify the nature and quantify the scale of the skills required to enhance productivity and environmental sustainability within the Built Environment in the years to 2030. This will include the development of construction skills demand forecasts based on a number of productivity and environmental sustainability assumptions, as well as the targets set out in prevailing national strategies; and
- Develop a suite of recommendations that can be drawn upon to ensure that the skills needs identified are fully catered for by the education and training system and any other relevant sources of skills supply over that ten-year timeframe.

The study, which will be completed in 2020, will inform the Government and industry on how best to manage and enhance the skills base of the sector.

SME Management Practice Research

The Study will examine the capability (management capacity and practices) of Irish SME managers, and the channels available for improving performance. The study commenced in 2019 and will be completed in 2020.

The research focuses on examining management practices in detail with a view to determining where Irish SMEs need to improve their performance in the light of international best-practice. Once these areas are identified, the study will consider how improvements can be brought about. It is likely that there will be both demand- and supply-side issues.

The study is being carried out by TU Dublin and is funded by the European Commission under the Structural Reform Support Programme. This funding will permit a study of broader scope than would have been possible otherwise.

The study will examine the provision of management development training modules, courses, programmes, etc., by both public and private sector actors in Ireland. On the demand side, the study will examine current levels of management skill and practice, training participation rates, barriers to participation, attitudes, mind-sets, etc.

The objectives of the study will therefore be to **(a)** assess and quantify, as much as possible, the comparative performance of managers in Irish SMEs, and therefore any gaps or weaknesses that need to be addressed; **(b)** identify whether these gaps are due to a lack of demand for, or supply of management development training; and **(c)** recommend how these issues can be resolved, and the gaps filled.

Skills for a Low Carbon Economy

In June 2019 the Irish Government published its *Climate Action Plan*, which sets out 183 actions across every relevant sector that will dramatically reduce Ireland's carbon output over the next decade, and place Ireland on a trajectory to achieve net zero carbon emissions by 2050. Actions include the elimination of non-recyclable waste, a move from 30% renewable electricity production to 70% which will involve a huge increase in offshore wind capacity, the delivery of a nationwide electric vehicle charging network, an insulation retrofit of 500,000 existing homes and the installation of 400,000 heat pumps. Supply chains will also have to be developed, with appropriately skilled workers, to facilitate these actions. This Study will focus on forecasting the future demand (over the ten-year period 2020-2030) for technicians, engineers and other associated professionals that will be impacted by the delivery of actions in the Climate Action Plan 2019.

Many of the 183 actions in the Climate Action Plan 2019 will require large volumes of skilled labour to implement successfully and on-time. This Low Carbon Skills study will aim to quantify what type of additional skills will be required by employers, and when, to successfully deliver the Climate Action Plan 2019. It will also conclude with recommendations for how to address any potential skills gaps.

The scope will be to address:

1. Skills needs arising from actions contained in the Climate Action Plan 2019.
2. Specific technical, engineering and other associated professional skills rather than generic competencies such as interpersonal skills and organisations skills.
3. Skills required by employers, which will include utilities and self-employed contractors.
4. The likely development path of newer technologies - consultation will also be required with related entities such as the 'Offshore Renewables Top Team' as established by Future Jobs Ireland and the Climate Action Plan 2019.

This study will be completed in 2021, subject to resource availability and any potential Covid-related reprioritisation.

Skills for International Financial Services

In April 2019, the Irish Government launched 'Ireland for Finance' the new Strategy for the IFS Sector in Ireland.

One of the aims of 'Ireland for Finance' is to address the skills challenges facing the industry through renewed focus on education and lifelong learning (Skillnet Ireland, Springboard+), STEM education, increased uptake of apprenticeships, greater education-industry linkages, and increasing diversity.

In the context of this strategy, the EGFSN is carrying out a skills needs analysis to identify any shortfalls or gaps and to highlight needs by region.

This study will be completed in 2021, subject to resource availability and any potential Covid-related reprioritisation.

“The EGFSN looks forward to working with the National Skills Council and other stakeholders in identifying other priorities in a response to a constantly evolving and unpredictable economic environment’.”

> Appendix 1: Recent Publications by the Expert Group on Future Skills Needs (2013 – 2019)

Report	Publication Date
Construction Skills – Strand 1	December 2019
The Expert Group on Future Skills Needs Statement of Activity	September 2019
High Level Demand ICT Forecast	March 2019
'Digital Transformation': Assessing the Impact of Digitalisation on Ireland's Workforce	December 2018
2018 Final Report of the Hospitality Skills Oversight Group	September 2018
Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit	June 2018
Winning by Design	November 2017
The Expert Group on Future Skills Needs Statement of Activity 2016	October 2017
Hospitality Skills Oversight Group Interim Report	June 2017
Update on Future Skills Needs in the Food and Drink Sector	April 2017
Monitoring Ireland's Skills Supply 2016	November 2016
Regional Labour Markets Bulletin	October 2016
National Skills Bulletin	September 2016
Future Skills Needs of the Biopharma Industry in Ireland	May 2016
Vacancy Overview 2015	May 2016
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard+ 2016	February 2016
Assessment of Future Skills Requirements in the Hospitality Sector in Ireland, 2015-2020	November 2015
Regional Labour Markets Bulletin 2015	October 2015
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2015	August 2015
National Skills Bulletin 2015	July 2015
Vacancy Overview 2014	May 2015

Lifelong Learning among Adults in Ireland, Quarter 4 2014	May 2015
A Study of the Current and Future Skills Requirements of the Marine/Maritime Economy to 2020	April 2015
The Expert Group on Future Skills Needs Statement of Activity 2014	April 2015
Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015 – 2020	February 2015
Regional Labour Markets Bulletin 2014	September 2014
Monitoring Ireland’s Skills Supply – Trends in Education and Training Outputs 2014	August 2014
National Skills Bulletin 2014	July 2014
Vacancy Overview 2013	May 2014
Assessing the Demand for Big Data and Analytics Skills, 2013 - 2020	May 2014
The Expert Group on Future Skills Needs Statement of Activity 2013	April 2014
Regional Labour Markets Bulletin 2013	March 2014
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2014	February 2014
Addressing Future Demand for High-Level ICT Skills	November 2013
Monitoring Ireland’s Skills Supply: Trends in Education and Training Outputs 2013	July 2013
National Skills Bulletin 2013	July 2013
Future Skills Requirements of the Manufacturing Sector to 2020	April 2013
The Expert Group on Future Skills Needs Statement of Activity 2012	April 2013
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2013	February 2013
Vacancy Overview 2012	February 2013



**Expert Group on
Future Skills Needs**

c/o Department of Business,
Enterprise and Innovation
Kildare Street
Dublin 2

Tel: +353 1 631 2867
Email: info@EGFSN.ie
Website: EGFSN.ie