

# The Expert Group on Future Skills Needs Statement of Activity 2018

July 2019



## Foreword

The Expert Group on Future Skills Needs (EGFSN) is an independent, non-statutory body, which includes representatives from the business community, education and training providers, trade unions, and a small number of Government Departments and agencies (DES, DBEI, EI, IDA, SOLAS, HEA, Ibec, ICTU). The EGFSN plays a key role in identifying current and future skills needs of enterprises and advising the Irish Government on these needs. It is an important component of Ireland's skills architecture, carrying out strategic research into emerging skills needs and presenting its findings to the National Skills Council (NSC) where priority areas can be identified and addressed.

Skills analysis and forecasting cannot be conducted in a vacuum and there are critical links between the EGFSN's work and national policy. For example, the Group's *High-Level ICT Demand Analysis* report provides the underlying research for the Government recently published *Technology Skills 2022* plan and the EGFSN's secretariat continue to be involved in steering the plan's implementation.

While the potential impact of Brexit remains an unknown quantity, 2018 was an important year to consider future-proofing the economy and forecasting the skills required in light of the changing global landscape. The EGFSN's *Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit* examined whether Irish based enterprises are adequately equipped to face these challenges. Its recommendations are being pursued through a Department of Business, Enterprise and Innovation (DBEI) chaired Brexit Skills Implementation Oversight Group,

*Future Jobs Ireland* is an integral component of the Government's over-arching plan for the future of the Irish economy. A central tenet of its Enhancing Skills and Developing and Attracting Talent pillar is the principle of lifelong learning and supporting upskilling of our workers. The EGFSN is continuing to provide analysis to inform implementation of the plan's recommendations to improve managerial capacity, to enhance and maintain productivity and to prepare for technological disruption.

In 2018, the EGFSN also developed a new communications strategy which includes a new e-bulletin and greater use of social media to disseminate its research and analysis. 2019 will see the roll out of further initiatives including the use of infographics to enable the Group's findings to be assimilated and used by a broader audience. This Activity Report provides a brief summary of the work of the EGFSN in 2018 and outlines some of the main areas which the Group is addressing in 2019.

Tony Donohoe  
Chair of the Expert Group on Future Skills Needs



## 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 2018, €460,000 was spent from the NTF towards the cost of this work.



## Members of the Expert Group on Future Skills Needs

- Mr Tony Donohoe Chairperson - Policy Advisor, IBEC appointed 2017
- Ms Mary Doyle, replaced by Mr William Beausang, Assistant Secretary, Department of Education and Skills - May 2018
- Mr. Ray Bowe, IDA Ireland
- Mr. Mark Christal Manager, Client Development, Mentoring and Skills, Enterprise Ireland - replaced by Ms Keelin Fagan Manager Client Management Development and Client Skills, EI
- Dr. Selen Guerin, Manager of SLMRU, replaced by Joan McNaboe, SLMRU, SOLAS
- Ms Kathleen Gavin, Principal Officer, Department of Education and Skills
- Mr. David Hegarty, Assistant Secretary, Department of Business, Enterprise and Innovation
- Dr. Vivienne Patterson, Higher Education Authority
- Dr. Peter Rigney, Industrial Officer, ICTU Replaced by Laura Bambrick
- Dr Bryan Fields, Director, Research and FET Strategy and Programme Evaluation, SOLAS replaced by Mr Alan McGrath, SOLAS
  
- Mr. 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 2018

## Delivering skills for a growing economy

The EGFSN is a key component of the Government's approach to strategically planning for current and future labour market skills needs in modern Ireland. Its Secretariat is located in the Department of Business, Enterprise and Innovation. It fits into the overarching strategic goal of the Department to make Ireland the best place to succeed in business, delivering sustainable full employment and higher standards of living across all regions of the country.

In recent years, much of the work of the EGFSN has been aligned with the priorities contained in the Action Plan for Jobs, a series of annual plans prepared each year since 2012. The Action Plan for Jobs 2018 looked at new opportunities, for example new opportunities arising from the digitalisation of the economy. Having the right skills and talent base will be a key driver of growth in the economy and labour market. A well-educated, highly-skilled labour force will enable Ireland to compete in international markets, to attract foreign direct investment, to grow the number of better quality jobs and to be resilient in the face of global challenges. 2018 saw the completion of the Action Plan for Jobs series of Government Economic Development strategies.

From 2019, the Government will unveil its Future Jobs programme, which will have an emphasis on quality jobs, participation, improving productivity and building resilience. It will look to the future and aim 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 EGFSN's research will align with the objectives of Future Jobs strategies.

The EGFSN analyses the availability of the required skills and talent base arising from the opportunities, including those opportunities brought by the digitalisation of the economy.

Since 2017, the EGFSN is a key component of Ireland's skills architecture, carrying out strategic research into emerging skills needs and presenting its findings to the National Skills Council (NSC),<sup>1</sup> where priority areas can be identified and addressed.

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<sup>1</sup> 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.



The EGFSN identifies the skills required by enterprises across occupations and sectors. It provides information to 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.

Outlined below is a description of the work that the EGFSN carried out in 2018:

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

In June 2018 the Expert Group on Future Skills Needs published a study examining the skills needs arising from the potential trade implications of Brexit. Part of the effort to establish the evidence base on Brexit, this study focused on examining whether Irish based enterprise is adequately equipped from a skills perspective to address the potential trade implications of Brexit i.e. new tariff and non-tariff barriers and controls, and the onus on diversifying Irish trade into new markets to help offset Brexit's potential impact.

The study focused on two trade-related skillsets:

- Those related to breaking into new markets, or expanding trade in existing markets e.g. international management, sales, marketing, customer support, design and development, logistics/distribution, foreign languages and cultural awareness; and
- Those associated with the facilitation of trade e.g. logistics, supply chain management, customs clearance

The project engaged with enterprises and key informants from across five internationally trading sectors (Agri-food, Health Lifesciences, Technology, High Value Manufacturing, Construction Services), and wider Freight Transport, Distribution and Logistics activities. This qualitative research was complemented by a skills demand analysis for Freight Transport, Distribution and Logistics roles, according to four Brexit related scenarios; an overview of responses to Brexit in four EU-27 countries; and an overview of existing education and training provision relevant to international trade and Freight Transport, Distribution and Logistics (including Supply Chain).

In terms of key findings, Brexit is expected to have a pronounced impact on skills requirements across international trading and Logistics/Supply Chain activities, particularly in exacerbating underlying skills gaps in the context of falling unemployment. The potential impact of Brexit varies both across and within particular sectors, with some requiring fundamental changes in the markets they serve,

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and how goods are transported, while other, less directly exposed sectors will still be impacted through Brexit's implications for the UK landbridge, regulatory divergence, and financial considerations. SMEs will be more exposed than larger organisations.

The key cross-sectoral messages are of an overarching lack of preparedness and understanding within the enterprise base of what Brexit represents and the impact it may have; of clear skills gaps in customs clearance and financial management; the importance of supporting international traders and Freight Transport, Distribution and Logistics firms in exploring new markets, through the availability of relevant skills; and a continuing need for a large number of new entrants into Freight Transport, Distribution and Logistics professions, and to establish such roles as attractive career options. Supply chain skills shortages also emerge as a key concern across all sectors.

The report recommends 8 overarching interventions, with 46 associated sub-actions:

1. Launch an intensified industry awareness and outreach campaign to enhance understanding amongst internationally trading and FTDL enterprises and to proactively address the skills needs arising from Brexit.
2. Introduce additional customs awareness and higher-level customs clearance training and advice for third country trading as the implications of Brexit become clearer.
3. Enhance the provision of financial management advice, training and mentoring for internationally trading enterprises, with a particular focus on currency management, VAT for third country trading, and contract management.
4. Undertake targeted campaigns to attract skilled personnel from overseas.
5. Promote measures to enhance the ability to diversify to and trade with non-UK markets
  - Enhance international trading and Logistics/Supply Chain content in education and training provision
  - Build up Ireland's foreign language capability for international trade
  - Enhancement of intercultural awareness and international business experience
  - Build up product design and development skills
6. Establish a National Logistics and Supply Chain Skills Group, to manage a coordinated response from the Logistics and Supply Chain sectors to promote the sector and its skills needs.
7. Develop awareness raising campaigns for Logistics, Supply Chain and Transportation careers across all sectors, and an improved understanding of the cross sectoral skills needs, employment numbers and career opportunities in supply chain activities.
8. Support the development and promote the rollout of and engagement with the Logistics and Services apprenticeship programmes.



## Hospitality Skills

In 2018, a second progress report into skills developments in the Hospitality sector was published.

To support implementation of the recommendations contained in an EGFSN report into the future skills needs of the hospitality sector, which was published in 2015, a Hospitality Skills Oversight Group (HSOG) was established with representatives of key stakeholders from industry and education. The 2015 report indicated that the sector would grow substantially over the period to 2020 and provided a framework for the development of talent in the years ahead.

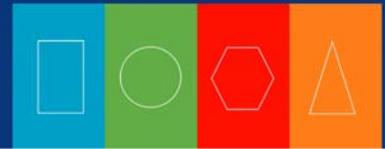
The HSOG was convened for a period of two years (2016 - 2018). It provided a forum for practical action and collaboration to address the skills needs of the sector. Membership of the Group included Fáilte Ireland, the Department of Business, Enterprise and Innovation (DBEI), the Department of Education and Skills (DES), the Department of Employment Affairs and Social Protection (DEASP), Education and Training Boards Ireland (ETBI), Higher Education Authority (HEA), the Irish Hospitality Institute (IHI), the Irish Hotels Federation (IHF), the Licensed Vintners Association (LVA), Quality and Qualifications Ireland (QQI), Regional Skills Dublin (RSD), the Restaurants Association of Ireland (RAI), the Vintners Federation of Ireland (VFI), Skillnet, SOLAS and the Technological Higher Education Association (THEA),

The hospitality sector is one of the largest employers in the Irish economy, employing over 177,000 people in over 18,000 businesses in 2018. In terms of overall economic activity, the Accommodation and Food Services sector accounted for around €5 billion of total gross value added in the Irish economy in 2018.

The 2018 progress report noted:

- The continued development and reform of the Education and Training Boards
  - The introduction of the first state culinary apprenticeship in decades
  - New traineeships
  - The economic resurgence in tourism and exponentially growing visitor numbers
  - The return to near full employment
- and
- The opening of visas to non -EU nationals seeking to make a career in hospitality in Ireland.

The report also noted that the sector faces challenges. As the economy achieves full employment there is increasing competition for a diminishing labour pool. It was noted that the hospitality sector has suffered from poor career perception in the past but also that industry organisations have worked well with Regional Skills Fora and other partners to roll out the Tourism Insight Programme,



which is a TY programme to attract new entrants into the industry. Collaboration with educational providers can yield positive outcomes and promote the industry to job seekers. Success can be achieved in addressing skills and labour requirements when industry, education/training and other stakeholders work together on a collaborative basis.

At the launch of the second progress report, it was announced that a new Group was being established, led by Fáilte Ireland to continue the good work that had been achieved over the last two years. It was noted that addressing the skills and labour shortages along with professionalising the sector was vital for economic growth. The Hospitality sector makes a vital contribution to regional and local economies and it also provides employment opportunities that can facilitate greater labour market participation.

### Chefs

The National Skills Bulletin notes that there remains a shortage of chefs despite the increased supply from the education and training system.

The 2018 National Skills Bulletin noted that a shortage of chefs including at executive chef level presents an ongoing challenge to the restaurant industry. While chefs are employed across a variety of sectors, there are issues, particularly in attracting chefs to the hospitality sector. Employment permits have been expanded to allow for certain chef occupations. There is also evidence of issues with retention for entry level chefs. There has been a substantial increase in supply in recent years (+80% compared to 2012) but this has not been sufficient to offset demand.

The National Skills Bulletin also noted that while the supply is sufficient to meet the demand of waiters, bar staff and catering assistants, the availability of persons willing to take up those roles is expected to be negatively affected by the greater availability of job opportunities across other growing sectors. Indeed, there were over 3,000 job ready job seekers in August 2018, who had previously been employed in these occupations.

Over the five-year period (2012 to 2017), overall employment in the sector increased by 40,600 (6.3% on average annually compared to 3.1% nationally). The most pronounced growth occurred in the waiting staff occupation, which saw growth of 9.2%.

The share of non-Irish workers was significantly above the national average of 15%. However 70% of workers in the sector were Irish nationals.



## Report into Skills for the Digital Transformation

*Digital Transformation: Assessing the Impact of Digitalisation on Ireland's Workforce* was published in 2018 by the EGFSN. The study assesses the impact of digitalisation on job roles and sectors across the economy in Ireland and identifies the key implications associated with this.

The main findings of this report are:

- One in three jobs in Ireland are at high risk (a probability greater than 70%) of being disrupted by the adoption of digital technologies. Much of the disruption, however, will result in changes to job roles and tasks performed by individuals rather than job losses.
- While it is expected that the number of jobs lost will increase steadily over the next decade, the report estimates that disruption from the adoption of digital technologies will lead to a slowdown in employment growth, generating a net hypothetical loss of 46,000 jobs.
- The majority of sectors in the Irish economy are expected to be employing more people in 2023 than they did in 2018, with overall employment at levels never witnessed before in Ireland. The exceptions to this are the Real Estate and Financial Services sectors.
- Sectors most at risk are those normally associated with repetitive, manual tasks that can be replaced by automation, but the risk is not just limited to these. The sectors most at risk include Agriculture, Retail, Transport and Hospitality; and Manufacturing.
- The jobs at highest risk of displacement by digital technologies include many elementary, low-skilled occupations.
- The potential impact of automation will be felt by those with lower levels of educational attainment.
- At a regional level, Dublin is the least at risk from automation, while the Midlands and Border regions are most at risk.
- As some tasks become automated, employees will be trained to take on new tasks or, in some cases, new job roles. In this context, lifelong learning will become more of an imperative.
- The Government has taken steps to address the challenges that digitalisation and automation will present in the coming years. There are already programmes and initiatives



in place in Ireland, both in Higher Education and Further Education and Training- for example Springboard+, which provides retraining and reskilling opportunities in areas such as high-end manufacturing, and the SOLAS 2018-2021 further education and training policy framework for employee development opportunities in Ireland.

## ICT Skills

In 2018, the Expert Group on Future Skills Needs (EGFSN) completed “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.

‘High level’ is 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 study aimed to quantify the current and future demand for High Level ICT skills across the enterprise base, through the development of three skills demand scenarios- low and high growth scenarios, and a central baseline scenario (regarded as that most likely to occur).

The demand scenarios were:

- Broken down by:
  - Broad ICT Sector/Other Sectors
  - Computing and Electrical/Electronic Engineering skills
  - NFQ Levels 6/7 and 8+
- Based on 2016 Census data for 14 Standard Occupational Classification (SOC) 2010 occupational roles, closely identified with the deployment of high level ICT skills

Overall, the study finds that there will be a growth in demand for High level ICT skills in the coming years. This will be driven by market demand, technology shifts, the impact of cloud, and the spread of digitalisation across all sectors.

Enterprises are facing challenges in:

- Acquiring the right types of technical skills (especially AI, machine learning, Blockchain, robotics, animation/gaming programming skills)



- The right level of experience
- The right mix of skills (e.g. technical with communication skills, business acumen)

To address the demand for talent, firms are engaged in:

- Upskilling and reskilling existing employees
- Hiring a mix of graduates and people from other organisations
- Outsourcing
- Importing international talent through the employment permit system (the greater availability of permits in recent years has played a major role in facilitating growth in the ICT industry, and will continue to do so)

This significant growth in demand is reflected in the three demand forecasts, all with a 2016 baseline of 85,515,<sup>2</sup> and with differing Brexit assumptions

- **Central baseline scenario (soft Brexit):** This forecasts a Compound Annual Growth Rate (CAGR) in demand of 8.5%, driving demand to 139,140 in 2022. Total job openings will number 72,864 over 2018-2022. Annual job openings will increase from 11,594 in 2018 to 17,795 in 2022.
- **High growth scenario (soft Brexit):** This forecasts a CAGR of 9.3%, increasing the demand for high level ICT skills - 5% higher than the central forecast to 145,660 in 2022. Total job openings will number 80,105 for 2018-2022.
- **Low growth scenario (Hard Brexit):** This forecasts a CAGR of 5.1%, increasing the demand to 115,480 by 2022- 27% lower than the central forecast. Total job openings will number 46,530 for 2018-2022.

## 2. Other Activities & Policy Inputs by the EGFSN in 2018

### Input into Review of Employment Permit Change Proposals

In 2018, the research of the EGFSN and SLMRU informed DBEI'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 2018, the EGFSN continued to engage with stakeholders to ensure that information on the skills needs of the economy was disseminated to relevant parties. The Secretariat made presentations on skills needs at various seminars and fora throughout the year.

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<sup>2</sup> Total 2016 employment across the 14 relevant occupations of 81,575, plus vacancy rates of 5.2% for computing and 6.9% for electrical/electronic engineering



All reports published by the EGFSN are available on the website [www.skillsireland.ie](http://www.skillsireland.ie). Brief presentations, which provide an overview of key findings, are available alongside reports on the website. Printed reports are circulated to mailing list subscribers and an e-alerts system is also in place to electronically distribute the group's reports.

As highlighted by the Chair, 2018 saw work on the development of a EGFSN communications strategy.

The Expert Group will continue to deepen its level of engagement with stakeholders in 2019 to highlight the nature and extent of the emerging skills needs of the economy.

### 3. Implementation of Recommendations in EGFSN Reports

#### 2015 Hospitality Skills Report

As described above in chapter 1.

#### 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 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 sought to update these studies in light of the potential new Brexit reality, feeding into the *Ireland Connected* trade strategy objectives of maintaining UK market share and facilitating export diversification, as well as minimising supply chain disruption.

Following publication, the Department of Business, Enterprise and Innovation committed to pursuing the implementation of its recommendations, by working with the relevant stakeholders in the public and private sectors.

This work is now underway. In 2018 DBEI established a Brexit Oversight Implementation Group, consisting of a number of Government Departments and enterprise agencies, to actively pursue and monitor the implementation of the recommendations in the EGFSN study, and to maintain a watching brief on Brexit related skills needs more generally.



As part of the implementation process, DBEI is also engaging separately and bilaterally on a quarterly basis with stakeholders within the private representative and education and training sectors, to implement and monitor any recommendations that fall within their remit, and to elicit any feedback on Brexit related skills issues that should be considered in the Government's Brexit response. The findings from these engagements are being fed back into the work and deliberations of the Brexit Oversight Implementation Group.

Supported by its Secretariat, this Group will be working towards the compilation on a quarterly basis of a detailed implementation report, for submission to the subsequent National Skills Council, and to any relevant cross Government Brexit committees, to help inform the State's Brexit response.

One of the recommendations within the EGFSN report is for the establishment of a National Logistics and Supply Chain Skills Group. This will act as a sub-group of the overarching Brexit Oversight Implementation Group (on which its chair, from the Department of Transport, Tourism and Sport, is represented). DTTAS, DBEI, as well as logistics and supply chain industry representatives, are in the preliminary stages of establishing this group, which will aim at creating a coordinated approach from the logistics and supply chain sectors to the resolution of skills deficits within such activities, and promotion of career opportunities in their associated roles.

## Winning by Design

### Background

*'Winning by Design: An Introduction to the Design Skills Required for Firms to Be Innovative and Competitive in Global Markets'*<sup>3</sup> 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.

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<sup>3</sup> Available from: <http://www.skillsireland.ie/Publications/2017/Winning%20by%20Design.pdf>



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.

The findings of this report were put forward in an Action Plan to enhance and develop design in Ireland in the areas of design education provision, design training for businesses and designer upskilling and funding of design. The EGFSN has been monitoring the progress of these actions since the launch of the report. The first action of the Action Plan is to review enterprise demand for design skills and the provision of higher and further education design courses across education institutions. This action is currently underway by the EGFSN Secretariat.

## Food and Drink Sector

2018 saw work into the implementation of the recommendations in the 2017 report continue.

One of the recommendations in the 2017 Report tasked the Department of Business, Enterprise and Innovation (DBEI) and the EGFSN Secretariat with the role of monitoring the implementation of the actions identified in the Report. This also includes a more detailed assessment of supply and demand needs for the sector as part of the work of the EGFSN's overall skills needs assessment and of the impacts of Brexit in due course.

The implementation group met twice annually to present updates on progress.

Work continued in 2018 at official level and through engagement with private sector stakeholders to implement the recommendations in the EGFSN report on Brexit Skills Needs, which was published in summer 2018. Agri-Food was covered in the report.



## 2019/20 Work Programme

The National Skills Council (NSC) approved the 2019 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.

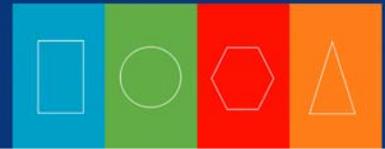
### Construction

The last report carried out by the EGFSN into the construction sector was published in 2008. The construction sector has a dual role in Ireland's economy. As a sector, it directly provides regionally distributed jobs across a wide variety of occupations and skills levels. The sector also provides and maintains the physical infrastructures and buildings on which every other industry and part of society depends. The sector includes both a number of large, internationally trading companies, combined with a large number of SMEs, many of which supply local markets.

The study will comprise three sections:

**Part A** - The first part of the study is to undertake a review of the existing reports available on the sector as completed by both government and industry in the last ten years. This initial step of desk-based research will be carried out in-house. It is expected that it would be completed by Q3 2019.

**Part B** - The second part of the analysis will consist of a productivity review of the sector. On the whole the Irish economy has 34% higher productivity than the euro area average - but construction is 5.4% lower - by far the largest sectoral drag on productivity. The focus of the review will be on both commercial and residential output. Such an analysis is likely to be commissioned and undertaken by the Investment Projects and Programmes Office (IPPO) in DPER in Q3 2019; the EGFSN Secretariat has liaised with the IPPO on this potential work. It is proposed that the EGFSN leverage this research.



Part C- Following the completion of the previous sections, it will then fall to the EGFSN to consider whether a third part- an EGFSN demand forecast and recommendations study, incorporating Parts A and B, should be undertaken.

Part C will be considered following their completion, which is expected to be in Q3 2019.

### **SME Management Skills**

The proposal was submitted to the EGFSN in June 2018 as an important piece of work for the 2019 Work Programme. The Study will examine the capability (management capacity and practices) of Irish SME managers, and the channels available for improving performance.

The study will focus 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 will be carried out by consultants procured by the European Commission. An application was made to the European Commission under the Structural Reform Support Programme 2017-2020 for €150k consultancy support for this project. This funding will permit the scope of the study to include broader international benchmarking comparisons, particularly in terms of how other countries have tackled these issues and improved their performance over time. Larger sample sizes will also be feasible with the assistance of the CION funding.

The study will examine the provision of management development training modules, courses, programmes, etc., by both public and private sector actors in Ireland, considering their relevance, quality, and cost. 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.

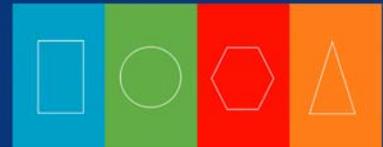


## Skills for Design

Following the publication of 'Winning by Design' in November 2017, the EGFSN has been monitoring the implementation of the Design Skills Report Action Plan and all eight recommendations are progressing. Additionally, reports are now being presented at the National Design Forum.

The first action listed in this report is: "Commission a review of enterprise demand and the provision of higher and further education design courses across all education institutions."

This action was not progressed in 2018 due to funding limitations, but it will be carried out in 2019 as a design skills demand report. This outsourced study will address design as a discipline which cuts across sectors, as opposed to a sector itself. A steering group has been formed to guide this report.



## Appendix 1: Recent Publications by the Expert Group on Future Skills Needs (2013 - 2018)

Report	Publication Date
'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
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