

Briefing for the Public Petitions Committee**Petition Number:** [PE01828](#)**Main Petitioner:** Matthew Goundry**Subject:** Improve opportunities for employment

Calls on the Scottish Parliament to urge the Scottish Government to ensure that people using Skills Development Scotland funded welfare to work agencies can access employment opportunities in any area of the country.

Background*Unemployment data*

Prior to the COVID-19 pandemic, the unemployment rate in Scotland and the United Kingdom was close to historic lows at around 4%. During 2019 the [average number of unemployed people in Scotland](#) was 100,000. By April 2020, the headline rate in Scotland rose to 4.5% and has remained there in the most recent data (June to August 2020). The average number of unemployed people in Scotland during 2020 has increased to 122,000. While the COVID-19 pandemic and the public health restrictions in response have significantly reduced economic activity, Government support schemes have mitigated the impact so far on the labour market. On 1 July 2020 there were 465,900 employments furloughed in Scotland, the [latest HMRC data shows](#) that by the end of August this had fallen to 242,600 employments.

Labour market projections

In November 2020, the Bank of England published its Monetary Policy Report, which includes a three-year labour market projection. This report states that the unemployment rate in Q4 2020 is 6.3% (an increase from the [4.5% reported by the ONS for June to August 2020](#)), rising to 6.7% by Q4 2021 and remaining above the pre-COVID-19 rate of around 4% beyond 2023 Q4.

In July 2020 the [OBR published three scenarios for the UK economy](#) during the COVID-19 pandemic. The central scenario projections that unemployment will rise from 1.3 million in 2019 to 3.0 million in 2020, peaking at 3.5 million in 2021 (an unemployment rate of 10.1 per cent).

Skills Development Scotland Support for job seekers in Scotland

Skills Development Scotland (SDS) is responsible for delivering [Career Information Advice and Guidance](#) (CIAG) services across Scotland, which help people into work, and also administers the [Employability Fund](#) on behalf of the Scottish Government. There are no geographic restrictions in terms of accessing CIAG services. During the COVID-19 pandemic these services have been delivered virtually, although [local centres](#) have begun reopening from September. A jobseeker can access services at any local centre they wish.

The Employability Fund is locally focussed, but SDS are responsible for the overall administration and management. SDS invite bids from providers on Public Contracts Scotland to deliver this each year, and each bid needs to demonstrate how it will meet local needs and opportunities.

Employability Fund starts are allocated to Local Employability Partnerships (LEP) based on local unemployment data from the last financial year, LEP areas are the same areas as local authority areas. Employability Fund contracts are based on LEP areas, however there is some limited scope for participants to access provisions outwith their own LEP area (which is referred to as 'flexibility to train'). To do so, the participant would need to demonstrate that it is appropriate for their needs, and that the provision is not available within their own area. SDS reviews the uptake of 'flexibility to train' to ensure that the Employability Fund remains targeted at the needs of each area.

[Skills Development Scotland publish statistics](#) on the outcomes and outputs of the Employability Fund.

Scottish Parliament Action

The [Economy, Energy and Fair Work Committee](#) is currently holding an enquiry on the impact of COVID-19 on Scotland's economy, including businesses and workers. The second phase of this work focusses on four areas:

- Impact on young people.
- Role of the Enterprise agencies and the Scottish National Investment Bank.
- Impact on businesses and workers.
- Plans for economic recovery.

PQ (S5W-32484 Neil Findlay) (lodged 13th October 2020): To ask the Scottish Government how many young people it estimates need employment support; what progress it has made on developing the Young Person Guarantee and Kickstart schemes in Scotland, and how many young people in Scotland it estimates will be helped through each of these schemes.

Response (Jamie Hepburn 2nd November 2020):

“The latest ONS Labour market statistics show that COVID-19 is continuing to impact on Scotland’s young people. Based on trends from previous recessions it is estimated that the unemployment rate of 16-24-year olds in Scotland could peak at around 20% as a result of COVID-19. This could result in over 60,000 young people becoming unemployed and not in education as a result of the impacts of the pandemic.

Further details on how the Young Person’s Guarantee will be implemented will be set out to Parliament shortly. The Scottish Government is working with partners including local authorities, Scottish Funding Council, Skills Development Scotland and Developing the Young Workforce Groups to finalise plans that will set out how the additional investment for the Young Person’s Guarantee will be used to increase the number and range of opportunities available to young people.

The delivery of Kickstart is a matter for the UK Government. However, the Scottish Government continues to engage with the Department for Work and Pensions to discuss the alignment between Kickstart and the Young Person’s Guarantee with a view to ensuring it supports existing interventions in Scotland.”

PQ (S5W-32483 Neil Findlay) (lodged 13th October 2020): To ask the Scottish Government what plans it has to help people of all ages who have become unemployed as a result of the COVID-19 pandemic.

Response (Jamie Hepburn 2nd November 2020)

“We are building on the £33 million already invested by the Scottish Government to support existing employability support services including Community Jobs Scotland, Employability Fund and Fair Start Scotland, this year by investing a further £100 million to tackle unemployment and address retraining needs. To prevent youth unemployment and the scarring effect that it would have on a generation becoming the legacy of this pandemic, £60 million of this investment will be used to support the Young Person’s Guarantee, ensuring every 16-24 year old has the opportunity of work, education or training, giving them the chance to succeed despite the economic impacts of COVID-19. We have also put in place £10 million for a range of measures to recruit and retain apprentices, helping modern and graduate apprentices who are facing redundancy as a result of COVID-19 get back into work.

The £25 million National Transition Training Fund will support those aged 25 or over whose jobs are at risk as a result of the pandemic or have been made redundant, to access retraining. The first strand of the Fund, managed by Skills Development Scotland, was launched on 8 October. Individual Training Accounts (ITA), offer up to £200 to people

of all ages who are unemployed or earn less than £22,000 who wish to upskill. ITAs reopened on 1 July this year, and remain open to applications.

We will continue to provide support for individuals affected by redundancy through our Partnership Action for Continuing Employment, PACE initiative. Through providing skills development and employability support, PACE aims to minimise the time individuals affected by redundancy are out of work. As announced in Programme for Government, we are investing an additional £5 million to scale up and enhance our support for those made redundant.

For those who want help to find and remain in work, Fair Start Scotland (FSS) is an all age, national employment support service, which offers tailored support for people who may be further removed from the labour market. In July, we extended Fair Start Scotland services to March 2023 providing stability and continuity for FSS participants and allowing us to manage the anticipated COVID-19 related increase in demand for support from the most disadvantaged in our communities. We have also provided additional funding of £2.35 million for our Parental Employability Support Fund which will provide intensive employability support for those most at risk of poverty, including disabled, young and minority ethnic parents to help them access or progress in work.

No One Left Behind, jointly managed through our partnership with Local Government, provides employability support to people of all ages, who are further removed from the labour market, including those with disabilities, long term health issues and single parents. This provision supports individuals to increase confidence, skills and experience, enabling them to progress towards or enter employment. We remain committed to the transformation of employability services, through the phased implementation of No One Left Behind to progress towards more effective and joined-up support across Scotland.”

Scottish Government Action

The Scottish Government has [announced a Youth Guarantee](#) which will ensure that everyone between the ages of 16 and 24 has the opportunity of work, education or training. This is supported by £60 million in funding:

- £30 million through local authorities to help local partnerships delivery employability support
- £10 million to create opportunities in colleges
- £10 million additional funding for Developing the Young Workforce
- £10 million to support pathways to apprenticeships.

On 11 August 2020 the [Scottish Government announced a £10 million investment](#) to recruit and retrain apprentices, including additional funding for the Scottish Government's [Adopt an Apprentice Programme](#).

On 8 October 2020 the Scottish Government announced a new fund, the £25 million [National Transition Training Fund](#). This fund provides support for people aged 25 and over who have lost their jobs due to COVID-19 or are at risk of redundancy. It aims to help 10,000 people to develop the skills required to move into sectors with the greatest potential for future growth and job opportunities.

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