

30 June 2022

Dear Convener,

Thank you for giving Skills Development Scotland (SDS) the opportunity to give evidence to the Committee on 31 May 2022 as part of your scrutiny of trends behind income tax forecasts. During the session we agreed to provide additional written evidence on a number of issues, which are detailed below.

As mentioned at the end of our evidence session, if Committee members would find a further session useful, we would be happy to hold a private session or a follow-up meeting.

Part-time workers

Between January and December 2021, an estimated 1,888,400 people in Scotland aged 16-64 were in full-time employment (75.5 per cent of the workforce), and 609,200 were in part-time employment (24.4 per cent).¹

Over the course of the pandemic, the percentage of people in employment working part-time in Scotland decreased by 0.8 pp, equivalent to a decrease of 39,100 people or three per cent between 2019 and 2021. Between 2016 and 2019, the percentage of people in employment working part-time remained steady at just over one in four, however the number of part-time workers increased by 16,200 or three per cent over this period.

There are geographical differences in the number of part-time workers. The local authority with the highest proportion of part-time employees in 2021 was the Orkney Islands (49.3 per cent), followed by the Shetland Islands (32.7 per cent), then Dumfries and Galloway (30.7 per cent). The local authorities with the lowest proportion of part-time workers were Glasgow City (20.6 per cent), City of Edinburgh (21.3 per cent), East Renfrewshire (21.4 per cent) and Falkirk (21.4 per cent).

Gender is a clear factor, with part-time employment accounting for a higher proportion of women's employment compared with men's; 37.3 per cent of all women's employment was on a part-time basis, compared with 11.7 per cent of all men's employment.² However, over recent years, the number of men in part-time employment has increased whilst the number of women working part-time has decreased. The number of men working part-time increased by 7,300 (or five per cent) between 2019 and 2021 and by 8,500 (or six per cent) between 2016 and 2021. Meanwhile, the number of women in part-time employment decreased by 46,400 (or nine per cent) between 2019 and 2021 and decreased by 31,500 (or six per cent) between 2016 and 2021.

Underemployment, where someone is in employment but would prefer to work more hours, has increased. In April 2020 - March 2021, an estimated 8.5 per cent (219,100) of people aged 16 and over were underemployed, up from 6.9 per cent in April 2019 - March 2020.³ The underemployment rate was higher for women compared with men in 2020/21 (9 per cent and

¹ Annual Population Survey, January-December datasets, ONS

² Annual Population Survey, January-December datasets, ONS

³ Annual Population Survey, April-March datasets, ONS

8.1 per cent respectively).⁴ Prior to the increase in 2020/21, the underemployment rate gradually decreased from a high of 10 per cent in 2012/13.

People moving ‘overseas’

Our submission stated:

“The overall net migration remained positive for 2019/20, meaning more people were coming to Scotland than leaving. However, net migration had decreased by 44 per cent compared to 2018/19, resulting in the lowest level of net migration since 2012/2013.”⁵

Figure 1 shows total out migration from Scotland to overseas and to the rest of the UK in 2018/19 and 2019/20.⁶

Figure 1: Out migration from Scotland 2018/19 and 2019/20

	2018/19 vol / %	2019/2020 vol / %	% change
Total out migration	57,100	64,100	7,000 (12%)
Overseas	19,700 (35%)	31,300 (49%)	11,600 (59%)
Rest of UK	37,400 (65%)	32,800 (51%)	- 4,600 (-12%)

In 2019/20, the age group with the largest out-migration from Scotland to other areas of the UK was the 25-34 age group (29 per cent of the total out-migration), followed by people aged 16-24 (27 per cent).⁷ This was also true of overseas migration, where 34 per cent of people who left Scotland for overseas were aged 25-34 and 26 per cent were aged 16-24.

The figures here have been taken from National Records of Scotland statistics (as detailed in the below footnotes) which encompass moves to and from the rest of the UK and moves to and from beyond the UK.

Sheffield Hallam University Research on the Hidden Unemployed

Please see Appendix 1 for report summary on economic inactivity.

⁴ Annual Population Survey, April-March datasets, ONS

⁵ National Records of Scotland (June 2021). Total Migration to or from Scotland

⁶ National Records of Scotland (June 2021). Total Migration to or from Scotland

⁷ National Records of Scotland (June 2021). Migration between Scotland and overseas by age

Women in certain professions

Research shows that the occupational segregation of both men and women in certain kinds of jobs and in different levels of employment remains a key labour market issue. Women tend to be disproportionately affected by occupational segregation, impacting on their potential pay and career progression. Close the Gap (2018) argue gender segregation is a 'cradle to labour market' problem, ingrained in the education and skills pipeline, starting in early years and resulting in women's concentration in undervalued, stereotypically female low-paid jobs and sectors such as care, cleaning and admin.⁸ Close the Gap state that efforts to reduce occupational segregation have been overwhelmingly focused on increasing the number of girls and women in STEM but there has been no work to address the inherent undervaluation of female-dominated work, such as care.⁹

Females have consistently had a lower employment rate and higher economic inactivity rate than males, and this trend continued during the pandemic. Lone mothers and guardians, minority ethnic women, disabled women and young women have been particularly impacted by the pandemic.^{10,11,12}

The overall employment rate for women between January - December 2021 was 70.7 per cent, compared to 75.7 per cent for men.¹³ Female employment levels increased by four per cent between 2016 and 2019 (46,700 people). However, over the course of the pandemic (comparing 2019 - 2021) female employment decreased by two per cent (27,900 people) compared to a decrease of three per cent for males over the same period (45,500 people).

The overall economic inactivity rate for females was 26.8 per cent compared to 20.7 per cent for males (January – December 2021). Women's economic inactivity levels decreased by six per cent (27,700 people) between 2016 and 2019. However, during the pandemic, the level of female economic inactivity increased by three per cent or 13,200 people (2019 and 2021) compared to an increase of nine per cent for males (28,900 people).

Females aged 16-19 in Scotland have consistently higher participation rates (in education, employment or training) compared to males. The female participation rate has been higher than the male participation rate every year from 2017 to 2021. The participation rate for females aged 16-19 was 93.2 per cent in 2021, compared to 91.2 per cent for males.¹⁴ In 2021 females were more likely to be participating in education (79.9 per cent compared to 70 per cent for males), whilst males were more likely to participate in employment (19 per cent compared to 11.9 per cent for females).

When looking at the sectors women work in, there are still clear gender differences. For instance, in 2016 4.1 per cent of women in employment worked in manufacturing, this

⁸ Close the Gap (2018) The Gender Penalty

⁹ Close the Gap (2018) The Gender Penalty

¹⁰ Glasgow Centre for Population Health. [COVID-19 Micro Briefing 2: Consequences of the COVID-19 pandemic: exploring the unequal social and economic burden on women](#). (May 2021)

¹¹ Close the Gap. [One Year On: How COVID-19 is impacting women's employment in Scotland](#). (March 2021).

¹² Scottish Government. [Gender Pay Gap Action Plan: Annual Report](#). (March 2021).

¹³ Annual Population Survey, January-December datasets, ONS

¹⁴ Skills Development Scotland, Annual Participation Measure for 16-19 year olds in Scotland, August 2021

decreased to 3.9 per cent in 2021. Similarly, 2.0 per cent of women worked in construction in 2016, which decreased to 1.3 per cent in 2021. The sectors with the highest proportion of women are public admin, education and health, with 48.0 per cent of female workers in 2021. This increased from 44.9 per cent in 2016.

For apprenticeships in Scotland, men comprise the majority of Modern Apprentices. The figures for Q4 (full year) 2021/22 show that 38.8% of Modern Apprenticeship starts were female and 61.2% male.¹⁵ The [SDS Apprenticeship Equality Action Plan Final Report 2015-2021](#) highlights that the uptake of apprenticeships tends to reflect the demographics of the wider workforce in each sector.¹⁶ For example, in the biggest occupational grouping of construction, 2.7% of apprentices are female. However, the number of female starts in construction and engineering are the highest in the last 8 years at 177 starts.¹⁷ Females tend to be better represented in the Construction sector in Graduate Apprenticeships, the 2021 Graduate Apprenticeship Progress Report noted that the uptake in the Construction and the Built Environment framework was 28.1% female (27 starts).¹⁸

Women in strategies

Equate Scotland, the national expert in gender equality throughout the STEM sectors, are currently a member of the Climate Emergency Skills Action Plan (CESAP) Implementation Steering Group (ISG).

The CESAP is due to be refreshed by March 2023 and we will ensure that the future development of the plan maintains its focus on 'fairness and inclusion in the skills system as part of a just transition to net zero' (Theme 5)

Outcome Agreements

Graduate Apprenticeships do feature in outcome agreements, however, we would suggest that any specific questions about the outcome agreements reached between the Scottish Funding Council and universities and colleges are directed to SFC.

Green Jobs Workforce Academy

The [Green Jobs Workforce Academy](#) (GJWA) was a 100 day commitment from the Scottish Government following the May 2021 election and is administered by SDS. The purpose of the GJWA is to provide Scotland's workforce with information about the changes in the labour market which will arise from the transition to net zero.

Aimed at individuals, it provides a one stop shop through an online platform providing information for individuals keen to understand more about green jobs and the associated key sectors, raising awareness of the opportunities available. The GJWA also details the skills

¹⁵ SDS Equality Evidence Review 2021

¹⁶ Q4 2021/22 MA Statistics

¹⁷ Q4 2021/22 MA Statistics

¹⁸ Graduate Apprenticeships Progress Report 2020/21

needed to transition to these opportunities, and links to the required training and funding sources, with information and links to apprenticeships, volunteering and training opportunities and related careers.

Work on the GJWA commenced in May 2021 following the election and over the following weeks User Research, Prototyping, Design and Development took place leading to a working version being ready for launch on 23 August 2021.

The GJWA currently consists of:

- A dedicated website (www.greenjobs.scot) which is part of the wider offer for adults
- Content on the key industries in the transition to Net Zero
- A course search tool which allows users to search over 20,000 courses in Scotland
- Access via live chat or phone to an SDS adviser.

A year on from the launch of the Green Jobs Workforce Academy, we plan to assess how it is currently meeting its objectives and to work with the Scottish Government and Implementation Steering Group to agree future ambitions for the project.

We are not in a position to track the extent to which training is undertaken through the Academy, for example the financial contribution towards a college course.

We are not able to detail who is viewing Academy webpages, however from 23 August 2021 to 31 May 2022 these key pages received the following number of page views¹⁹:

	23rd Aug 2021 to 31st March 2022	1st April 2022 to 31st May 2022	Launch to 31st May 2022
The Green Jobs Workforce Academy	5,387	948	6,335
Jobs and courses	2,945	397	3,342
Industries	2,555	400	2,955

¹⁹ **A note on data availability:**

- Pageview data is provided using Google Analytics, which uses third-party cookies. Users who do not explicitly choose to accept these cookies when using the site cannot be tracked and are not included in this reporting.
- Many browsers and operating systems now default to refuse cookie tracking automatically, to protect user privacy.

People with disabilities moving into employment

Disabled people have lower levels of employment. The employment rate for those classed as disabled under the Equality Act 2010 was estimated at 47.4 per cent compared to 80.2 per cent for non-disabled people, giving an employment rate gap²⁰ of 32.8 percentage points.²¹

The proportion of MA starts self-identifying an impairment, health condition or learning difficulty (I/HC/LD) was 13.3% (equivalent to 3,334 starts) in 2021/22.²² This is compared to 13.0% in 2020/21 and 15.4% (4,220 starts) in 2019/20. The lower rate relative to pre-pandemic levels can, in part, be explained by the low number of starts in the 'Hospitality & Tourism', 'Retail & Customer Service', and Financial Services groupings. Disabled people have a higher share of employment in shut down sectors including distribution, hotels and restaurants. Previous recessions have had a disproportionate negative impact on the labour market outcomes of disabled people.²³

Although this demonstrates good progress wider evidence does indicate disabled young people face multiple barriers in entering and progressing in employment.

It is important to make the distinction that although SDS can take action to improve the uptake of apprenticeships amongst disabled people, it is not responsible for employability as a whole.

Yours sincerely,

Chris Brodie

Director of Regional Skills Planning and Sector Development

Skills Development Scotland

²⁰ The disability employment gap is the difference between the employment rates of disabled people and non-disabled people.

²¹ Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21

²² Q4 2021/22 MA Statistics

²³ SDS Equality Evidence Review 2021

Appendix 1

Latest Economic Inactivity Statistics

Economic Inactivity Statistics taken from Annual Population Survey (official source), for the latest 12 month period, January to December 2021.

May 2022

Please note that the data presented here is for the 12month period January to December 2021. It differs from the quarterly data for the January to March 2022 period. The 12 month data, whilst not as timely, uses a larger sample of the Scottish population so is more robust and reliable for understanding sub-components i.e. inactivity by reason below UK level. For comparison purposes data for the UK is also presented in this summary.

All data is for all persons aged 16-64.

Scotland

The table below shows the absolute levels of economic inactivity by reason in Scotland for the periods Jan-Dec 2019 and Jan-Dec 2021.

Reason for Economic Inactivity	Time period		Change Jan-Dec 2019 to Jan-Dec 2021	
	Jan- Dec 2019	Jan-Dec 2021	Absolute	Percentage
Student	197,400	211,000	13,600	7%
Looking after family / home	147,400	132,900	-14,500	-10%
Temporarily sick	16,500	16,800	300	2%
Long-term sick	217,500	239,600	22,100	10%
Discouraged workers ¹	2,800	5,300	2,500	89%
Retired	110,700	124,600	13,900	13%
Other ²	80,500	84,700	4,200	5%
Total	772,800	814,800	42,000	5%
Does not want a job ³	615,000	671,500	56,500	9%
Wants a job ³	157,800	143,300	-14,500	-9%

1. Discouraged workers are those who are not looking for work because they believe no jobs are available.
2. Other reasons include people who (i) are waiting the results of a job application, (ii) have not yet started looking for work, (iii) do not need or want employment, (iv) have given an uncategorised reason for being economically inactive, or (v) have not given a reason for being economically inactive.
3. Interviewees were asked, even though they were not looking for work at the time, would they like to have a regular paid job, either full- or part-time.

The table below shows the absolute levels of economic inactivity by age in Scotland for the periods Jan-Dec 2019 and Jan-Dec 2021.

Age Range	Time period		Change Jan-Dec 2019 to Jan-Dec 2021	
	Jan- Dec 2019	Jan-Dec 2021	Absolute	Percentage
16-24	208,600	218,600	10,000	5%
25-49	252,700	267,000	14,300	6%
50-64	311,500	329,300	17,800	6%
16-64	772,800	814,800	42,000	5%

United Kingdom

The table below shows the absolute levels of economic inactivity by reason in the United Kingdom for the periods Jan-Dec 2019 and Jan-Dec 2021.

Reason for Economic Inactivity	Time period		Change Jan-Dec 2019 to Jan-Dec 2021	
	Jan- Dec 2019	Jan-Dec 2021	Absolute	Percentage
Student	2,345,600	2,524,000	178,400	8%
Looking after family / home	2,018,400	1,717,000	-301,400	-15%
Temporarily sick	164,000	179,200	15,200	9%
Long-term sick	2,103,700	2,224,600	120,900	6%
Discouraged workers ¹	31,800	47,300	15,500	49%
Retired	1,113,800	1,235,100	121,300	11%
Other ²	996,600	1,052,700	56,100	6%
Total	8,773,900	8,979,800	205,900	2%
Does not want a job ³	6,952,600	7,309,100	356,500	5%
Wants a job ³	1,821,200	1,670,700	-150,500	-8%

1. Discouraged workers are those who are not looking for work because they believe no jobs are available.
2. Other reasons include people who (i) are waiting the results of a job application, (ii) have not yet started looking for work, (iii) do not need or want employment, (iv) have given an uncategorised reason for being economically inactive, or (v) have not given a reason for being economically inactive.
3. Interviewees were asked, even though they were not looking for work at the time, would they like to have a regular paid job, either full- or part-time.

The table below shows the absolute levels of economic inactivity by age in the United Kingdom for the periods Jan-Dec 2019 and Jan-Dec 2021.

Age Range	Time period		Change Jan-Dec 2019 to Jan-Dec 2021	
	Jan- Dec 2019	Jan-Dec 2021	Absolute	Percentage
16-24	2,693,800	2,809,100	115,300	4%
25-49	2,806,800	2,679,000	-127,800	-5%
50-64	3,273,200	3,491,700	218,500	7%
16-64	8,773,900	8,979,800	205,900	2%