

Employability– Senior Leaders Group Minutes

Employability – Senior Leaders Group Meeting No. 02
Date and Time of Meeting 11 November 2020, 09:30 – 11:00

1. Welcome and Introductions

- 1.1 Joanne Farrow welcomed everyone to the meeting via Microsoft Teams.
- 1.2 Full list of attendees and apologies can be found at Annex A.

2. Labour Market Overview

- 2.1 Stephanie Phin spoke to the Labour Market Analysis slide deck (Paper 02:01).
- 2.2 The full impacts of COVID-19 on Scotland's labour market have been muted, largely because of the Job Retention Scheme. Latest ONS labour market statistics covering July to September 2020 show Scotland's employment rate (74.0%) remained close to the record high (75.9%, Feb-Apr 2019) and Scotland's unemployment rate (4.5%) remained relatively low.
- 2.3 The latest HMRC Job Retention Scheme statistics estimate that around 10% of Scotland's workforce were still on furlough (both full and partial) at the end of August.
- 2.4 Other labour market indicators show greater deterioration. Scotland's claimant count rate in October was 7.7% with around 215,000 people claiming unemployment related benefits. The rate has almost doubled since March (4.0%). There has also been large declines in hours worked across the UK, partly driven by the large number of people on furlough.
- 2.5 More recently, there are signs of some stabilisation. Over the quarter to Jul-Sep 2020, average weekly hours in the UK saw a record increase of 2.7 hours to 28.5 hours. However, average hours worked in the UK still remain much lower than pre-COVID levels.
- 2.6 There are also signs of stabilisation in pay growth. Annual growth in PAYE median monthly earnings in Scotland was 4.0% over the year to September 2020, only marginally weaker than annual growth in Scotland in the year to September 2019 (4.3%).
- 2.7 Young people in Scotland have been disproportionately impacted in the labour market. Young people have experienced greater falls in employment, greater rises in unemployment and greater rates of furlough take-up than other age groups.
- 2.8 Men had higher rates of furlough take-up than women initially, but the latest HMRC Job Retention Scheme statistics show that male and female furlough take-up rates had balanced out in Scotland at the end of August. 2.9 There's been greater falls in the employment rate of men compared to women so far, but women

could be most impacted longer-term given the structural labour market barriers faced by women e.g. women's disproportionate share of caring responsibilities.

2.9 UK wide evidence shows that people from minority ethnic groups are being particularly affected by the effects of COVID-19. ONS analysis suggests that people from black and minority ethnic groups in the UK are overrepresented in jobs with higher risk exposure to COVID-19, accounting for 20% of workers in the most at risk occupations despite accounting for 11% of the working population. Recent Resolution Foundation analysis also showed that UK minority ethnic workers furloughed during the Spring lockdown were more than twice as likely to no longer be working in September compared to furloughed workers as a whole.

2.10 The latest data shows that disabled people have been negatively impacted in the labour market. The employment rate of disabled people decreased by 1.9 percentage points over the year to Jul-Sep 2020 with the Disability Employment Gap widening by 2.3 percentage points.

2.11 Low earners may be more at risk of job losses or being placed on furlough. The Institute of Fiscal Studies estimate that low earners across the UK were seven times more likely to work in a shutdown sector of the economy than high earners. ONS analysis also showed that there can be less potential for home working in lower paid jobs.

2.12 The long-term labour market effects of COVID-19 are likely to compound existing structural labour market challenges including the impact of Brexit.

In discussion, the following points were made:

2.13 Covid is having a continuing impact on lower income families, those with disabilities and child poverty – further analysis required on this.

2.14 Whilst Covid presents challenges to those facing health and disability related barriers, changes to business models (working from home; less or different time-and-place specific services), could provide an unique opportunity to build back more inclusive workplaces

2.15 Challenges around digital exclusion for those on lower incomes

3. Scotland's Young Persons Guarantee

3.1 Gavin Gray gave a verbal update on the work around Scotland's Young Persons Guarantee (YPG) that is currently being undertaken.

3.2 Following the announcement of the YPG and the SDS website supporting this going live the main focus is now on implementation.

3.3 Next meeting of Implementation Group 25 November 2020.

3.4 Ensuring the structures to support the workstreams are correct and the measurement of the impact of the YPG.

In discussion, the following points were made:

3.5 DWP is establishing Youth Hubs and is liaising with SG colleagues

4. No One Left Behind Delivery Plan

4.1 Amy Stuart spoke to the No One Left Behind Delivery Plan slide deck (Paper 02:02).

4.2 The Minister for Business, Fair Work and Skills has confirmed that Community Jobs Scotland and Employability Fund will continue operational delivery in 2021-22 (subject to SG Spending Review and budget discussions), with the next phase of No One Left Behind expected to commence in April 2022.

4.3 Scottish and Local Government will publish the No One Left Behind Delivery Plan later this month (w/c 23 November).

4.4 Scottish Government will offer advance sight to this group, and remain keen to ensure strong collaboration in taking forward inclusive planning and development beyond publication of Delivery Plan.

4.5 The Delivery Plan is set out across 7 themes -The Scale of the Challenge, Progress to Date, Working Together for Scotland, Supporting Economic Recovery, Ensuring No One is Left Behind, The Plan, and Get In Touch.

4.6 These themes are built around the 6 established No One Left behind Workstreams – Shared Measurement Framework, Communications, Alignment & Integration, Governance & Risk, Policy & Finance, Service Design.

4.7 The Plan outlines key Objectives, Actions and Outcomes expected as we work towards delivery of the next phase of No One Left Behind from April 2022 by Workstream.

4.8 It also outlines the model for national employability investment in the period to April 2022.

In discussion, the following points were made:

4.9 The impact of Brexit and Covid is still a largely unknown quantity on the labour market at the moment.

4.10 Better alignment and linkages required between the levers around the economy and job creation. Opportunity to consider new types of employment, different ownership models.

4.11 Important to consider the role of employers (what the ask/offer is for employers) in any approach and ensure that Fair Work principles remain at the forefront.

5. AOB

5.1 Employability should be considered as part of any wider investment planned by SG.

Close of Meeting

Annex A – List of attendees

Attending

Joanne Farrow	Scottish Government
(Chair)	
Gavin Gray	Scottish Government
Amy Stuart	Scottish Government
Stephanie Phin	Scottish Government
Cat Macauley	Scottish Government
Sharon Telford	Scottish Government
Julieann Airens	Scottish Government
Pamela Smith	Scottish Local Authorities Economic Development Group (SLAED)
Robert McGregor	Convention of Scottish Local Authorities (CoSLA)
Anna Fowlie	Scottish Council for Voluntary Organisations (SCVO)
Kate Still	Princes Trust (Network of Networks)
Sandra Stewart	Department for Work and Pensions (DWP)
Stuart McKenna	Scottish Training Federation (STF)
Lee Ann Panglea	Chartered Institute of Personnel & Development
Susan Love	Federation of Small Businesses (FSB)
Donna Burnett	Public Health Scotland (PHS)
Alison Nimmo	Developing Young Workforce (DYW)
Colin Lindsay	University of Strathclyde
Sharon Drysdale	Scottish Funding Council (SFC)

Apologies

Michael Dunion	Scottish Government
Ellie Crawford	Scottish Government
Susan Love	Federation of Small Businesses (FSB)
Gordon McGuinness	Skills Development Scotland (SDS)
Barry McCulloch	Federation of Small Businesses (FSB)
Karen Watt	Scottish Funding Council (SFC)
Yvonne Blake	Poverty and Inequality Commission (PIC)
Rozanne Foyer	Scottish Trades Union Congress
John Wilkes	Equalities and Human Rights Commission
Sandra Black	Society of Local Authority Chief Executives (SOLACE)

Secretariat

Craig Alexander, Programme Management Office

Osian Morgan, Employability Improvement and Design