Skills Development Scotland

Regional Skills Assessments
Fife
July 2021

Contents

Regional Skills Assessments

First launched in 2014, the purpose of the Regional Skills Assessments (RSAs) is to provide a robust evidence base to support partners in strategic skills investment planning. They have evolved over time based on an independent review carried out in 2015 and continuous feedback from partners.

To ensure an inclusive approach to their development, dissemination and utilisation, RSAs are produced by Skills Development Scotland (SDS) in partnership with Highlands and Islands Enterprise, Scottish Enterprise, Scottish Government, the Scottish Funding Council (SFC) and the Scottish Local Authorities Economic Development Group.

In this July release we report on strategic drivers, the economy, the impact of COVID-19, labour market requirement, supply of people and an update on SDS regional action.

RSAs include the use of published data sets. Inevitably, when using published data there is a time lag but the data contained is the most up to date available at the time of writing. In response to COVID-19 we include more data derived from administrative sources where possible. As time lags with this data are, in general, shorter. However, we still rely mostly on data from the core labour market surveys.

RSAs also include forecast data that has been commissioned through Oxford Economics. Caveats need to be applied when using forecast data. The Technical Note[1] provides full detail on this but broadly it should be noted that forecasts are based on what we know now and include past and present trends projected into the future. Their value is in identifying likely directions of travel rather than predicting exact figures. The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be. Standard occupational classifications (SOC) and standard industrial classifications (SIC) are used to define occupations and industries.

The Office for National Statistics (ONS) have useful SIC[2] and SOC[3] hierarchy tools that can be used to understand the classifications in more detail.

In addition, we provide analysis by Key Sector. Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which gives a picture of the economic and labour market situation, trends in skills and qualification supply and employers' perspectives on the skills issues affecting the sector. Regional SIPs have also been developed. SIPs and RSIPs are available on the SDS website.[4] Sector Skills Assessments are also available which provide updated Labour Market Insight for the Key Sectors.

The RSA Data Matrix supplements this report and data on SDS products and services can be accessed from Publications and Statistics section on our corporate website.

Finally, in the sections which follow, the numbers and figures in the body of the text are rounded for ease of reference and readability and therefore may differ slightly from other publications.

This RSA report is for Fife, which covers the Fife local authority.

Introduction

The Context for Scotland's Labour Market

Prior to COVID-19, Scotland's labour market was already facing a number of issues and challenges. The impact of COVID-19 has added to these challenges. COVID-19 has hit the economy hard and, although we are beginning to see some signs of recovery, it is thought that it could take between one-three years to return to pre pandemic levels of growth[5]. As Scotland's economy recovers, the interplay of these key drivers will determine Scotland's future course. The development of fit for purpose skills have an important role in supporting economic recovery and inclusive growth. An effective skills system will help to support and attract inward investment, increase productivity and tackle inequality and deprivation[6].

The Economy and Productivity

Over 2020 overall, the impact of the pandemic on GDP has been dramatic and COVID-19 has led to the largest annual fall of Scottish GDP on record. At its lowest point in April 2020, GDP fell to 23.4% below its pre-pandemic level[7].

Measuring productivity during the pandemic has been challenging but, at a high level, variance in productivity performance is expected across sectors and, in turn, regions[8].

Demographic Change

As with many economies in the developed world, Scotland's population is ageing. By 2043, the number of people of pensionable age in Scotland is expected to increase by 23%, (240,000 people) whilst the working-age population is projected to decline by 7,000. This suggests the possibility for a tighter labour market in future and an increasing dependency ratio[9].

High age dependency ratio reflects a relatively low working age population. By 2043, Fife's dependency ratio will be 68%, compared to Scotland's 60%[10].

Equality and Inclusive Growth

Scotland has led the way in advocating for inclusive growth within a broader economic development strategy. Scottish Government supports 'growth that combines increases in prosperity with greater equity, creates opportunities for all and distributes the dividends of increased prosperity fairly'[11]. COVID-19 has had an uneven impact on some groups in society including young people, older workers, women, disabled people, ethnic minority groups, low paid and low income households[12].

Fife is in 2nd worst quintile of Scottish local authorities in the IFS 'Left Behind' index[13].

Automation

Advances in technological developments were already changing the world of work and they will continue to do so into the future. To give a sense of scale, in Scotland around 46% of jobs have high potential for automation, some 1.2m jobs[14]. Many jobs will evolve rather than disappear. There will also be the creation of new high-quality jobs and opportunities for more flexible working, which has been expedited by the pandemic.

The COVID vulnerability analysis shows Fife to be relatively weak on digital connectivity, with implications for businesses and would be homeworkers[15].

Climate Change

The Scottish Government has set 2045 as the target for achieving a net zero carbon economy. The labour market will be affected by changes to climate change legislation and consumer behaviours as the economy moves towards greater sustainability[16].

The pandemic has caused behavioural change to the benefit of the environment, and 'green jobs' are at the forefront of the government's plans for recovery.

Brexit

Prior to the pandemic, Brexit was a key source of uncertainty, and this created downwards pressure across productivity, business investment, retail sales and trade. The risk exists that the number of EU workers in Scotland could decline due to reduced in-migration and/or increased return migration. Ongoing Brexit concerns, and new COVID-19 considerations, create heightened uncertainty regarding the supply of migrant labour from the EU and further afield[17]. Fife is slightly more exposed to reduced EU exports than Scotland as a whole. In 2019, EU citizens were 4% of Fife employees, compared to around 6% for Scotland as a whole[18].

Regional Economy[19]

The Regional Economy: At a glance

Gross Value Added (GVA)

Total **Fife** GVA 2021:
£6,789m and **5.0%** of total Scottish output

From 2009-2019, GVA in **Fife: increased** by **2.5%** or **£170m**

Mid-term forecast average annual growth (2021-2024):
Fife: 2.8%
Scotland: 3.1%
United Kingdom: 3.4%

Longer-term forecast average annual growth (2024-2031):
Fife: 0.8%
Scotland: 1.2%
United Kingdom: 1.4%

Productivity

Fife productivity 2021:
£47,500, in **Scotland** it was **£50,200**

From 2009-2019, Productivity in **Fife: increased** by **4.5%** or **£2,100**

Resilience and Recovery

The pandemic has had a profound negative impact on Scotland's wellbeing, particularly in terms of health, the economy and fair work. This has brought further impacts on already marginalised communities, further exacerbating inequalities.

Existing inequalities face potential challenges as new forms of disadvantage may emerge. For example, increasing reliance on technology, accelerated by the pandemic, may bring new opportunities as well as risks of excluding certain groups where technology is not as accessible.

Establishing a wellbeing economy[20] remains a top priority for the Scottish Government. This involves creating an inclusive and sustainable economy whilst also promoting prosperity and resilience. Scotland is a founding member of the WEGo*, where members collaborate to utilise expert advice on delivering a wellbeing economy. Previous discussions included sustainable tourism, inclusive growth, child poverty and wellbeing budgeting.[21]

In the RSAs we, as yet, do not include any measures of the wellbeing economy alongside the traditional monetary measures of economic performance. This is an area of development and a number of other resources are available to support partners and stakeholders with this policy area:

- Wellbeing Economy Alliance
- Scotland's Centre for Regional Inclusive Growth

The Fife Economy

Economic output

Gross Value Added (GVA) is a measure of the value of goods and services produced in an area and is an indicator of the economy's health.

GVA is not an all-encompassing measure, it simply tells us about economic output. Beyond the economic measures, the aim of achieving inclusive economic growth is a priority for Scotland as noted in a speech by the First Minister to the Wellbeing Economy Alliance: *"Scotland is redefining what it means to be a successful nation by focusing on the broader wellbeing of the population as well as the GDP (Gross Domestic Product) of the country."*[22]

Current Economic Performance

In 2021, GVA was forecast to be £6.789m in Fife, 5.0 per cent of Scotland's output (£137,109m).

This share of GVA ranks Fife in the middle third of RSA regions for GVA contribution to the Scottish economy. The highest value sectors in the regional economy were forecast to be:

Manufacturing:
£1,105m

Public Administration and Defence:
£823m

Wholesale and Retail Trade:
£753m

Past Economic Performance

Prior to the pandemic, the region's economic growth rate lower than Scotland's. On average Fife's economy grew by 0.3 per cent each year (2009-2019).

From 2019 to 2020 the region's economy contracted sharply as measures were taken across the UK to limit the spread of COVID-19.

The contraction of economic output in Fife was estimated to be 9.5 per cent between 2019 and 2020, which was greater than what occurred across Scotland.

Social distancing measures enforced across the UK in response to the coronavirus pandemic have had a substantial impact on the economy, with UK GVA falling by 10 per cent in 2020 –the steepest fall in more than three centuries. In addition, the restrictions announced on Boxing Day 2020 are expected to have caused a further decline in activity in the first quarter of 2021.

Future Economic Performance

Whilst it is possible to forecast what could happen, there are a multitude of factors that can influence what materialises. The greatest contributing factor to a region's economic recovery will be their sectoral footprint, however other place-based factors will also influence their recovery.

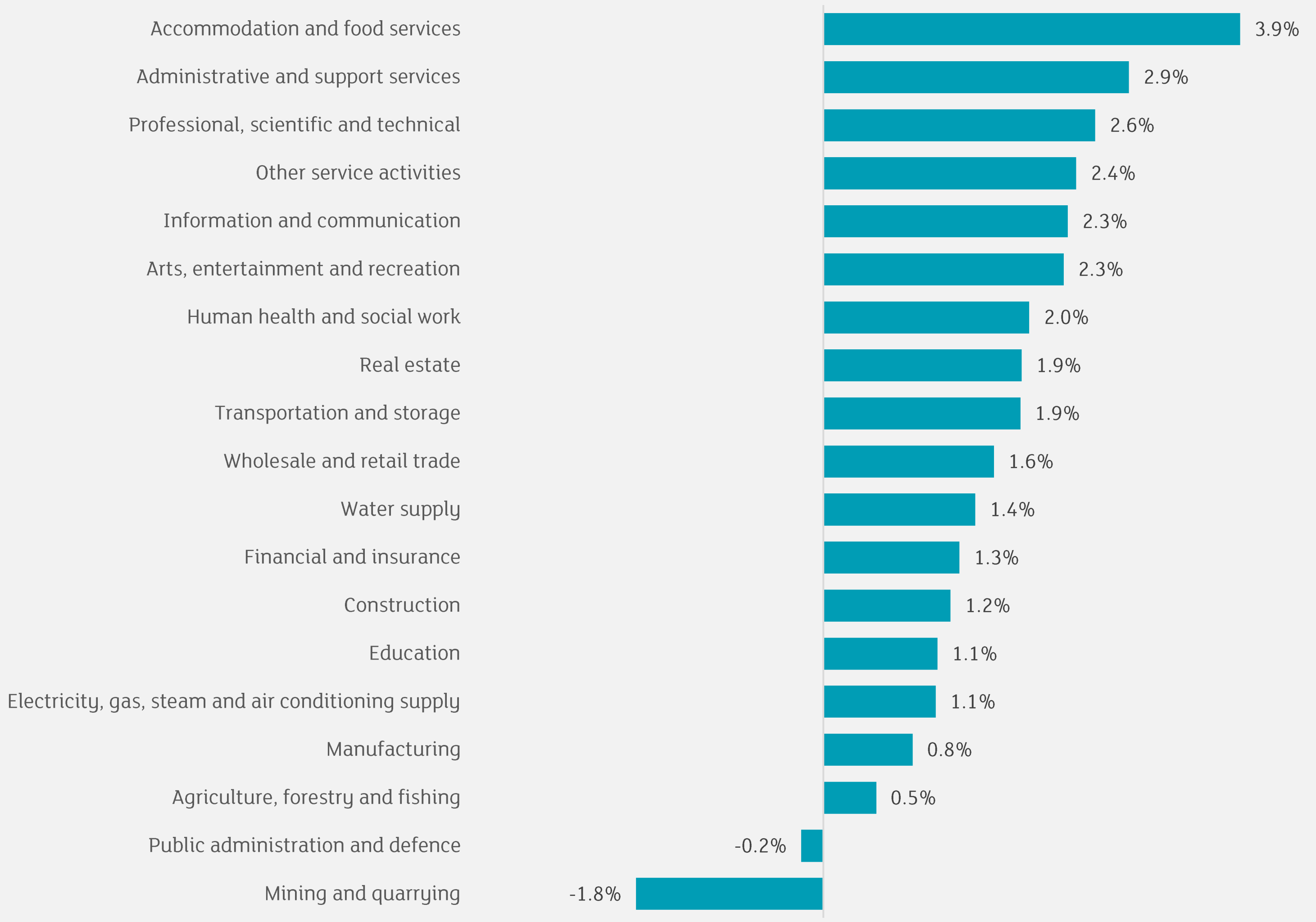
In the mid-term it is forecast that Scottish GVA will return to pre-pandemic levels in 2022, with growth of 6.0 per cent in 2021 and 5.7 per cent in 2022. Overall, GVA growth in Scotland is forecast to average 1.8 per cent per year between 2021 and 2031, 0.2ppts slower than the UK average.

Between 2021 and 2031, the largest contributions to growth across Scotland will come from real estate (adding close to 0.3 percentage points per year to overall GVA growth in Scotland) and human health & social work (just over 0.2 percentage points). This reflects the size of these sectors as well as levels of growth.

As shown in Figure 1, Accommodation and Food Services is forecast to have the largest annual GVA growth in Fife from 2021-2031, at 3.9 per cent. It is followed by Administrative and Support Services (2.9 per cent) and Professional, Scientific and Technical (2.6 per cent).

Data for absolute change is available in the RSA Data Matrix.

Figure 1: Forecast average annual GVA change by Industry (%) (2021-2031), Fife



Productivity

Productivity is the measure of goods and services produced per unit of labour input. COVID-19 has impacted on productivity across the UK in several ways and it has created new challenges in how productivity is accurately measured. The Office for National Statistics (ONS)[23] highlight that measures based on output per job or worker are expected to experience large declines, whereas falls in output per hour could be less pronounced.

Interventions like the Coronavirus Job Retention Scheme (CJRS) impact on the underpinning data. Under this scheme individuals on furlough are categorised as being employed but working no hours. If a worker or jobs-based productivity measure is used, the input (one worker or job) remains the same but output declines as no work is taking place. Whereas if hours worked was used both input and output would decline. This demonstrates the possible divergences observed in productivity measures during COVID times.

Caution is needed when interpreting the productivity data presented and it must be considered in the context of other data and insight. Despite the challenges, it remains advisable to report on productivity as it is a measure that can help us to understand regional variances and challenges.

The Oxford Economics forecasts of productivity shown here have been calculated by dividing total regional GVA by total regional employment (measured by jobs). We use this data as it provides a forecast figure to help estimate the current impact of the pandemic on productivity and longer-term trajectories post-pandemic. An equivalent based on hours worked is not available.

Current Productivity

Based on forecasts as of March 2021, productivity in Fife was forecast to be £47,500. This was below the average for Scotland of £50,200.

The region's productivity is largely driven by the sectoral mix that makes up its economy.

Past Productivity

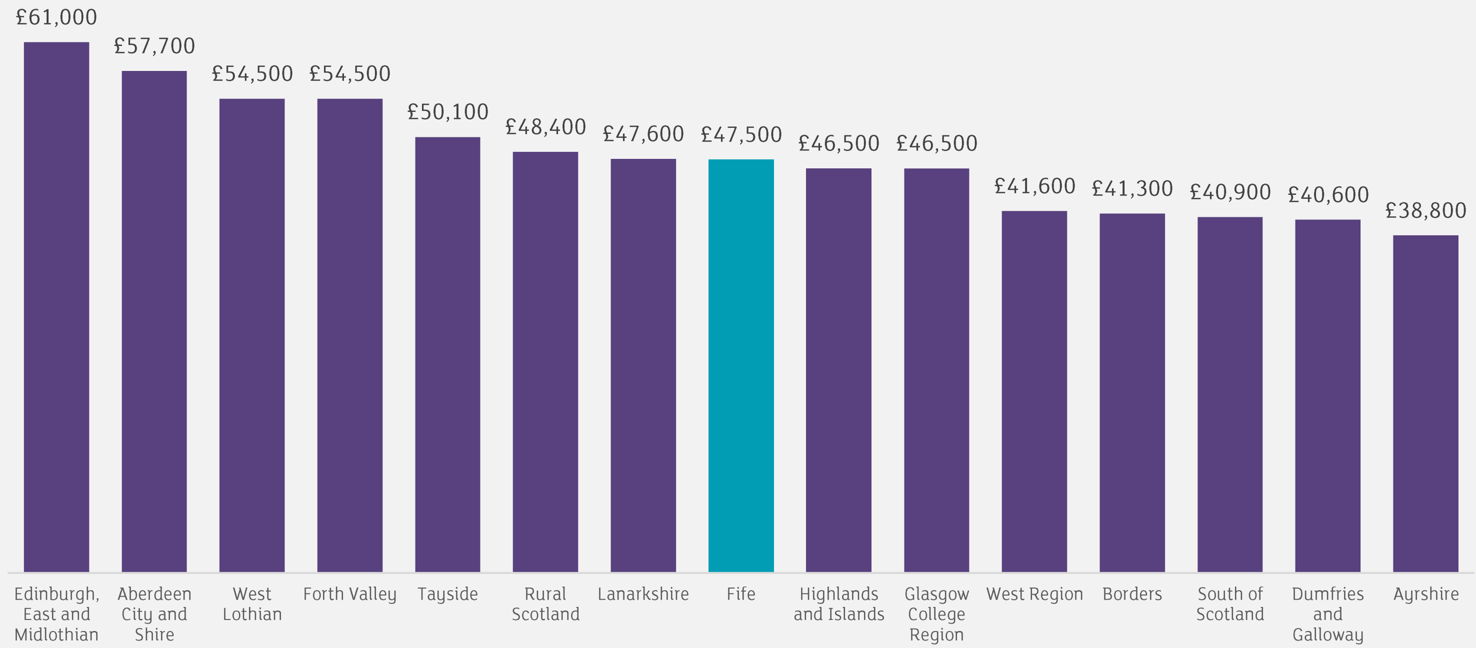
Prior to the pandemic, productivity in the region grew by 0.5 per cent on average each year (2009-2019). This was lower than the Scottish growth rate (1.0 per cent) over the same period.

Productivity across Scotland and within the region declined sharply between 2019 and 2020 as a result of the pandemic.

Future Productivity

Whilst there are current concerns regarding the accuracy of productivity measures, we hold off quantifying impact until the known issues are addressed. At a high-level, variance in productivity performance is anticipated across regions due to their sectoral mix and place-based factors.

Figure 2: Productivity (2021)



Regional Resilience and Recovery

During 2020, SDS worked with Oxford Economics to develop a Vulnerability Index. Its purpose is to enable a better understanding of each local authority's ability to withstand and respond to the economic shock resulting from the pandemic. A score above 100 on the index means an area is more vulnerable than the Great Britain average. The index considered each local authority's:

Economic diversity

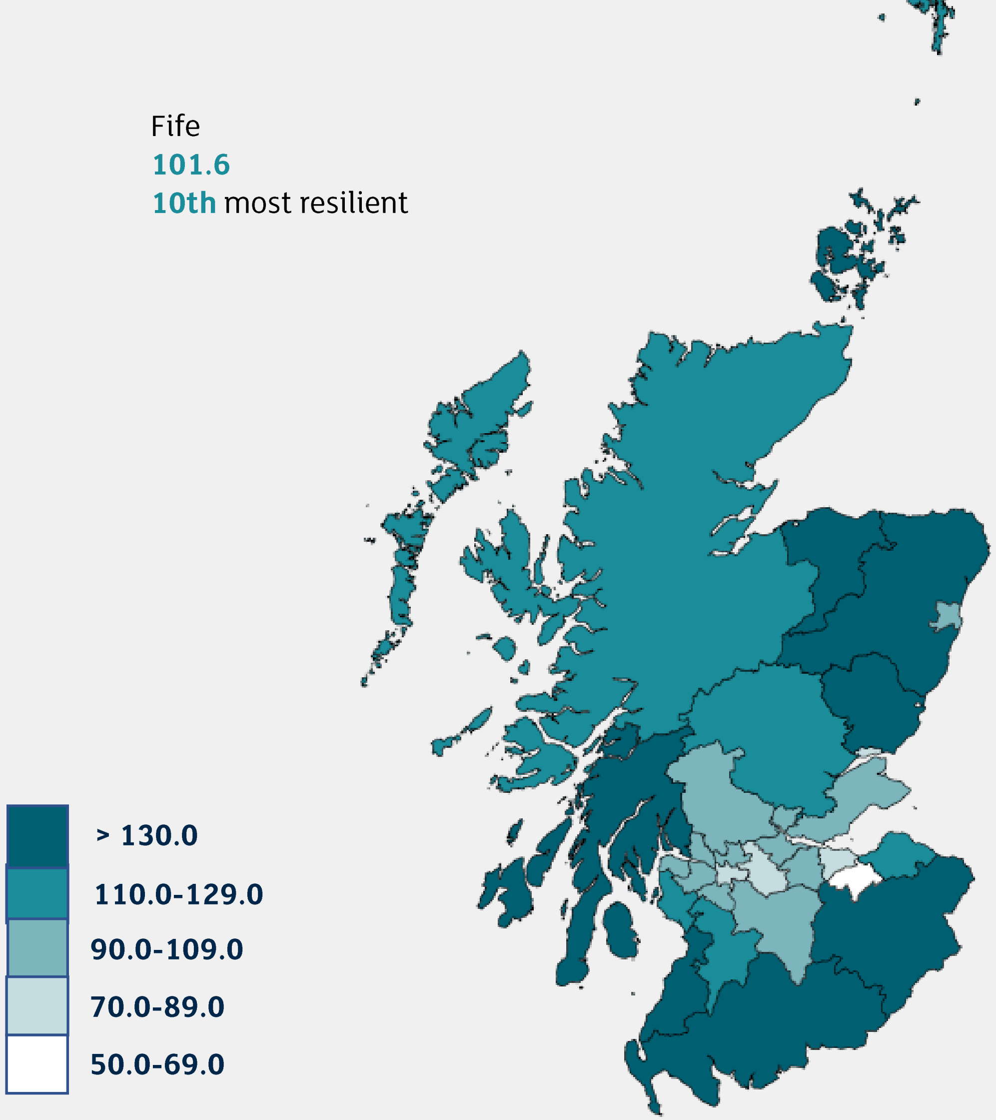
Business environment

Digital connectivity

The index suggested that the majority (23 out of 32) of local authorities in Scotland were more vulnerable to the coronavirus pandemic compared with the Great Britain average. The results also suggested that rural areas would be less resilient than urban locations. The index scores for local authorities within Fife are seen in Figure 3.

This index was developed in 2020 to identify the impacts of COVID-19 on economic diversity, business environment and digital connectivity across Scotland's regions. As the vaccine is rolled out in 2021, we are facing the beginning of the recovery journey. Digital connectivity will remain important as homeworking becomes the norm in the future. SDS is working with partners to ensure that there is a robust evidence base to support regional recovery.

Figure 3: Resilience and Vulnerability, Fife



Regional Labour Market[24]

- Employment
- Wider Labour Market Indicators

Employment: Employment in Fife

In this section we focus on employment in Fife. As a spotlight on equalities in the context of employment is included in this RSA, this section does not include any data or insight on protected characteristics.

Current Employment

Total employment in Fife (measured by people) was estimated to be 138,700 in 2021, 5.4 per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in the region in 2020 was 71.4 per cent, which was below the rate for Scotland (73.5 per cent).[25]

The region's overall employment rate means that approximately three in ten of the region's working age population were unemployed (6.3 per cent) or economically inactive (23.8 per cent).* Inactivity includes people who are studying, retired or looking after their family or home.[26]

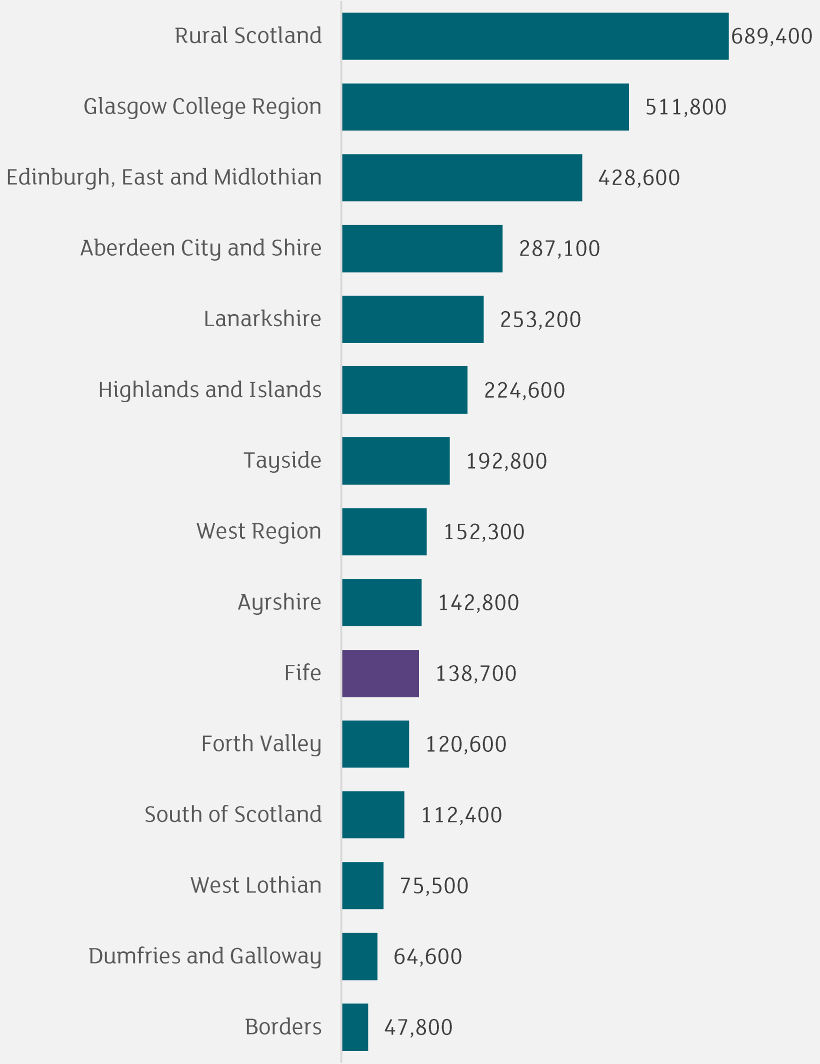
Individuals on furlough are categorised as being in employment, as they are still employed but not working as mentioned in the previous section on the regional economy.

* Data will not sum to 100% as unemployment rate is based only on economically active population

Across Scotland, and within the region, more people worked full-time than part-time, 97,200 people (70.0 per cent) were in full-time jobs in Fife in 2021. This was a lower percentage share compared to Scotland where 74.0 per cent of people were in full-time employment.

Part-time employment accounted for a greater percentage share of employment in the region compared to Scotland, 30.0 per cent compared to 26.0 per cent. Overall, there were 41,600 people in part-time employment in Fife.

Figure 4: Employment in Scotland by region (2021) (people)



In Fife the largest employing sectors, and their estimated regional share of employment, in 2021 were (see Figure 5):

Education:
11.3 per cent

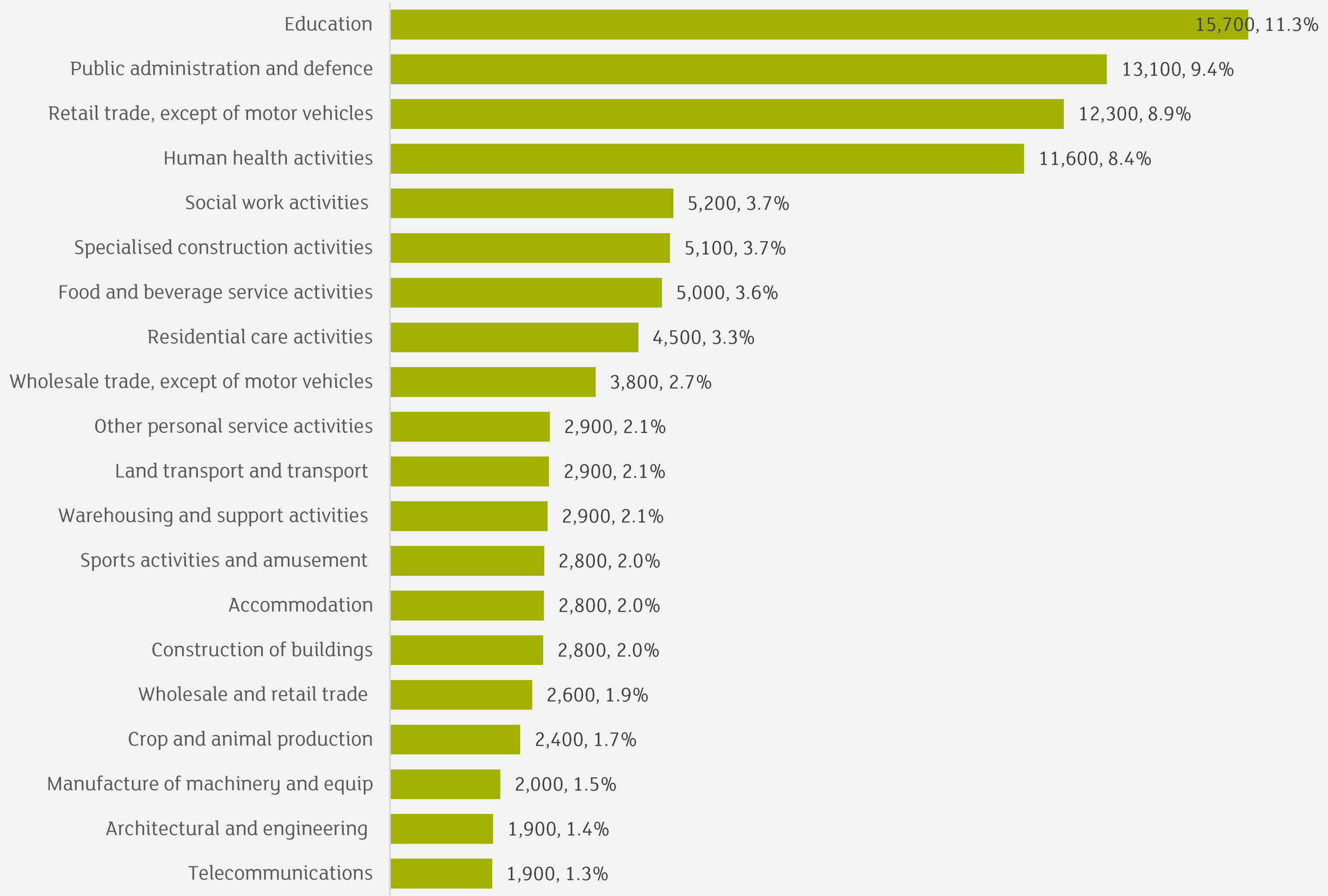
Public administration and defence:
9.4 per cent

Retail trade:
8.9 per cent

Human health:
8.4 per cent

Social work:
3.7 per cent

Figure 5: Employment by Industry and share of total employment (2021), Fife



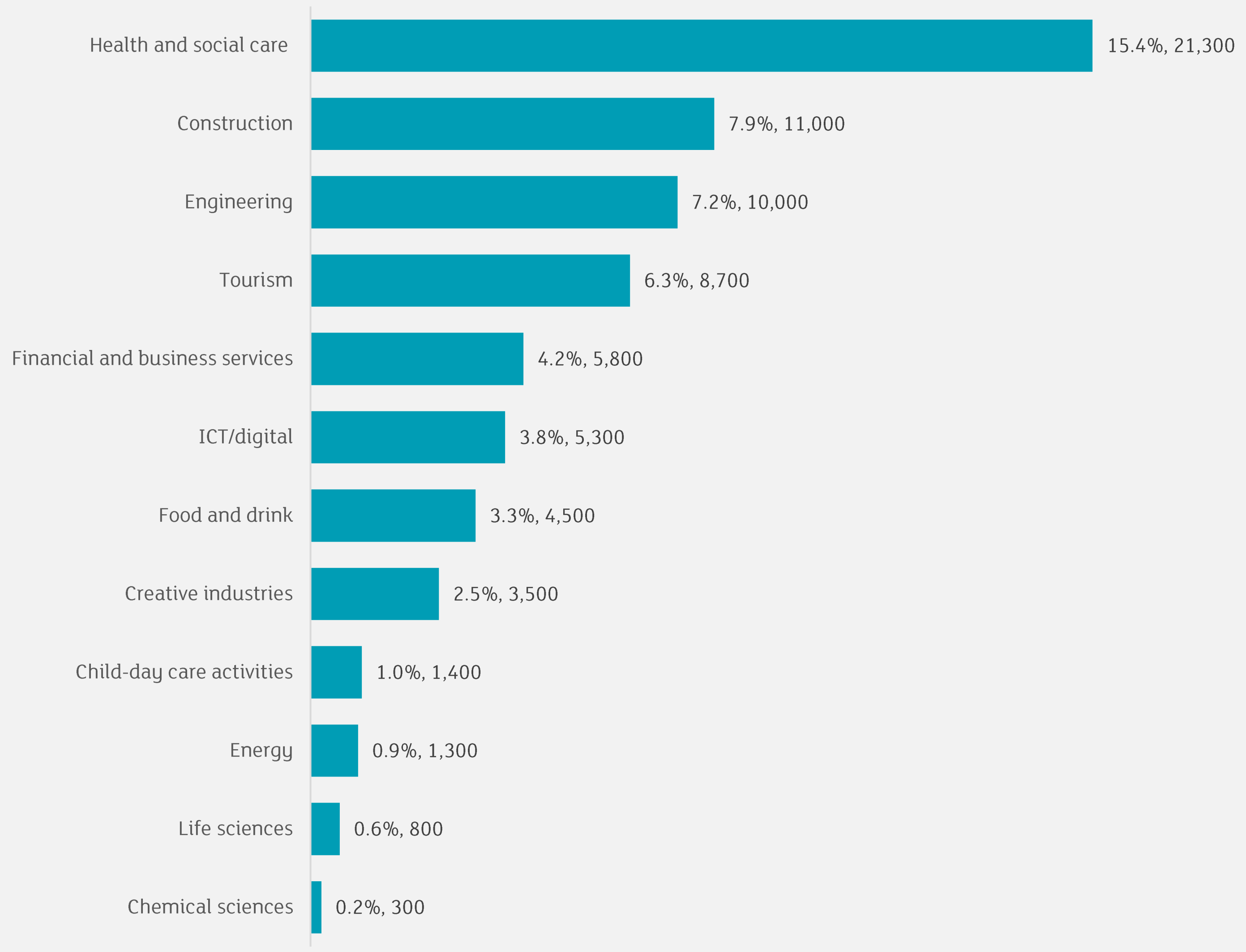
Of the key sectors, Health and social care, was estimated to be the largest in Fife in 2021. The sector accounted for 21,300 people. Construction was the second largest with a total of 11,000 people (see Figure 6).

Large sectors are an important source of jobs; however, regions also have sectoral strengths that make them unique. This means that smaller sectors can be more important than their size suggests, as they are more concentrated in the region compared to the national average.

In Fife, Other manufacturing was the greatest specialism, with the percentage of employment in this sector almost 4 times greater than the Scottish average. Other sectors that had above average concentrations in Fife included:

- Manufacture of electrical equipment (3.4 times more concentrated),
- Manufacture of other transport equipment (2.7 times more concentrated),
- Manufacture of basic metals (2.7 times more concentrated) and
- Repair of computers and personal (2.6 times more concentrated).

Figure 6: Employment by Key Sector and share of total employment, Fife (2021)

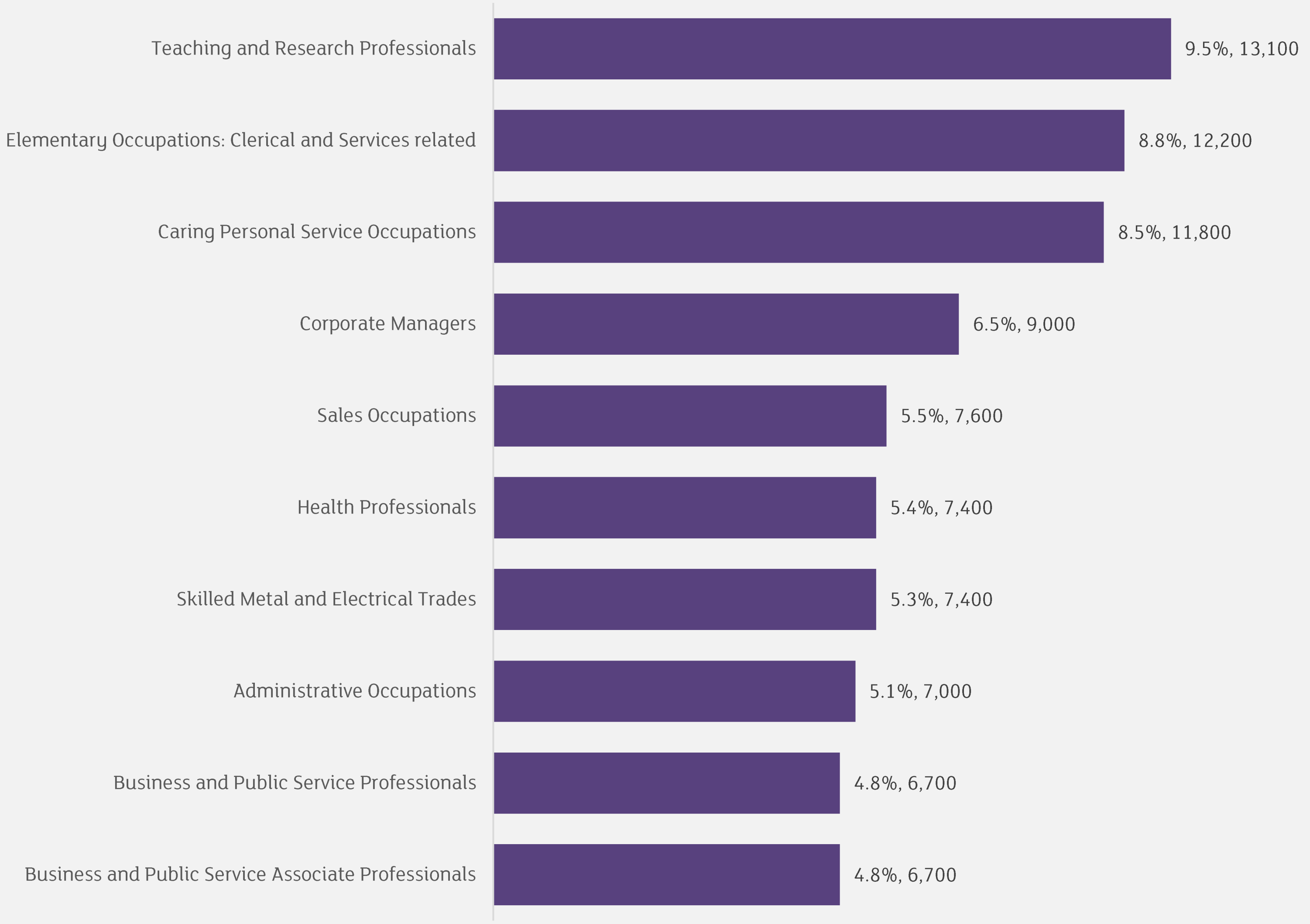


Sectors tell us about the industries that people work in, and occupations provide insight on the type of jobs people do. In 2021, 60,400 employed people (43.6 per cent) in Fife were in ‘higher level’ occupations, 31.2 per cent were in ‘mid-level’ occupations and 25.3 per cent were in ‘lower level’ occupations. The occupational structure of Fife was different to Scotland. Compared to Scotland, the region had a lower percentage of the workforce in higher level occupations and a greater percentage of the workforce in mid- level occupations. Scotland had a lower percentage in lower-level occupations.

A detailed look at the occupational structure shows that the largest occupations in the region in 2021 were estimated to be (see Figure 7):

- Teaching and Research Professionals: **9.5 per cent**
- Elementary Occupations: Clerical and Services related: **8.8 per cent**
- Caring Personal Services: **8.5 per cent**
- Corporate Managers : **6.5 per cent**
- Sales Occupations: **5.5 per cent**

Figure 7: Employment by Occupation and share of total employment, Fife (2021)



Past Employment
Pre-COVID-19, employment in the region had increased by 0.2 per cent from 2009 to 2019. There were 200 more people in employment in 2019 compared to 2009. The percentage of growth within the region was less than the 5.9 per cent growth observed across Scotland over the same time period.

The number of people in employment in Fife was substantially impacted by the pandemic. From 2019 to 2020 the number of people employed in the region was estimated to have declined by 1,500, from 142,200 to 140,700. This was a decline of 1.1 per cent, which was more than the 0.7 per cent decline across Scotland.

It is forecast that employment will contract further across Scotland and in the region from 2020 to 2021. These losses are anticipated to occur when income support schemes end. A decrease of 2,000 people in work is expected to occur from 2020 to 2021 in Fife, which is greater than the contraction from 2019 to 2020.

Overall, employment is forecast to decline by 3,500 from 2019 to 2021 in the region due to the pandemic.

Any extension of, or the introduction of new, income support schemes would have notable implications for the employment forecast.

Combining the change from 2019 to 2020 and 2020 to 2021, employment declines were observed in 9 of the 19 industry sectors in Fife (see Figure 8). There were substantial job losses in Accommodation and Food Services, employment declined by 1,600, which was a loss of 16.9 per cent of the sector's workforce.

However, growth is forecast to have occurred in sectors that had increased demand as a result of the pandemic. The number of people estimated to be working in the region's Human Health and Social Work sector increased by 700 and Education increased by 600 people.

Figure 8: Employment change by Industry, Fife

Declining Sectors	Employment change 2009-2019	Employment change 2019-2020	Employment change 2020-2021
Accommodation & Food Services	800	-800	-800
Wholesale & Retail Trade	100	-600	-500
Arts, Entertainment & Recreation	100	-300	-300
Manufacturing	-600	-200	-400
Administration & Support Services	-400	-400	-100
Construction	100	-300	0
Transportation and Storage	3,000	0	-100
Information & Communication	-2,000	-100	0
Growth Sectors	**Employment change 2009-2019**	**Employment change 2019-2020**	**Employment change 2020-2021**
Human Health & Social Work	-6,400	500	200
Education*	0	400	100
Public Administration and Defence	6,400	100	100

*Decline/Growth in 2019-20 and 2020-21 may not sum to total 2019-2021 decline/growth due to rounding.

Employment Forecast
The forecast suggests that 2021 could be the year where we observe the greatest impact of the pandemic on employment in Fife.

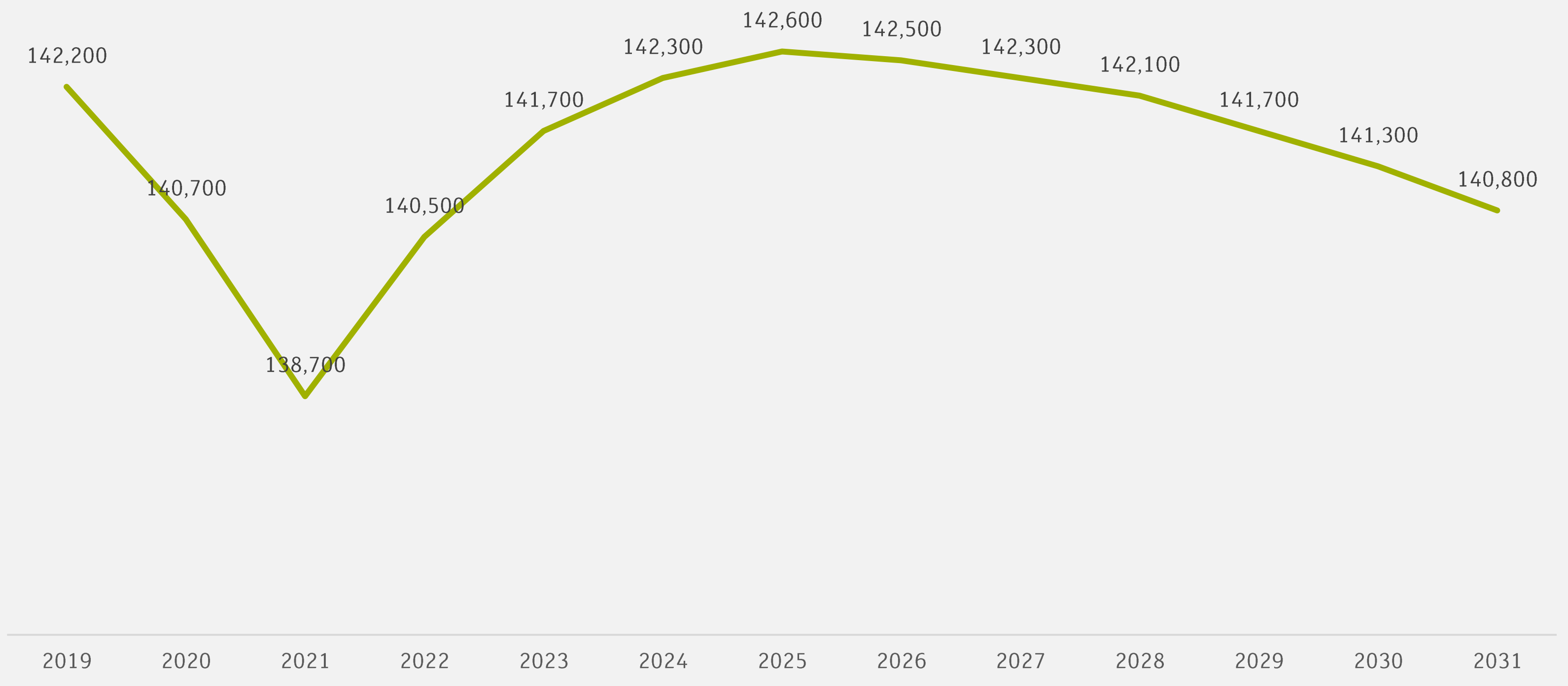
In the mid-term (2021-2024) the number of people in employment is forecast to grow by 3,600 in the region. Whilst positive, the majority of this growth replaces jobs lost as a result of the pandemic.

For Scotland as a whole, it is forecast to be 2023 when the number of people in employment reaches and then surpasses 2019 employment levels. The region's employment recovery is forecast to be slower, with 2019 levels being met and overtaken in 2024.

Over the longer term (2024-2031) employment within the region is forecast to decrease. In 2031, it is forecast that there will be 1,500 fewer people in employment compared to 2024. Across Scotland the number of people in employment is forecast to increase.

The level of employment contraction in the region equates to an average annual rate of -0.1 per cent over the longer term. For comparison, Scotland's forecast growth rate is 0.1 per cent.

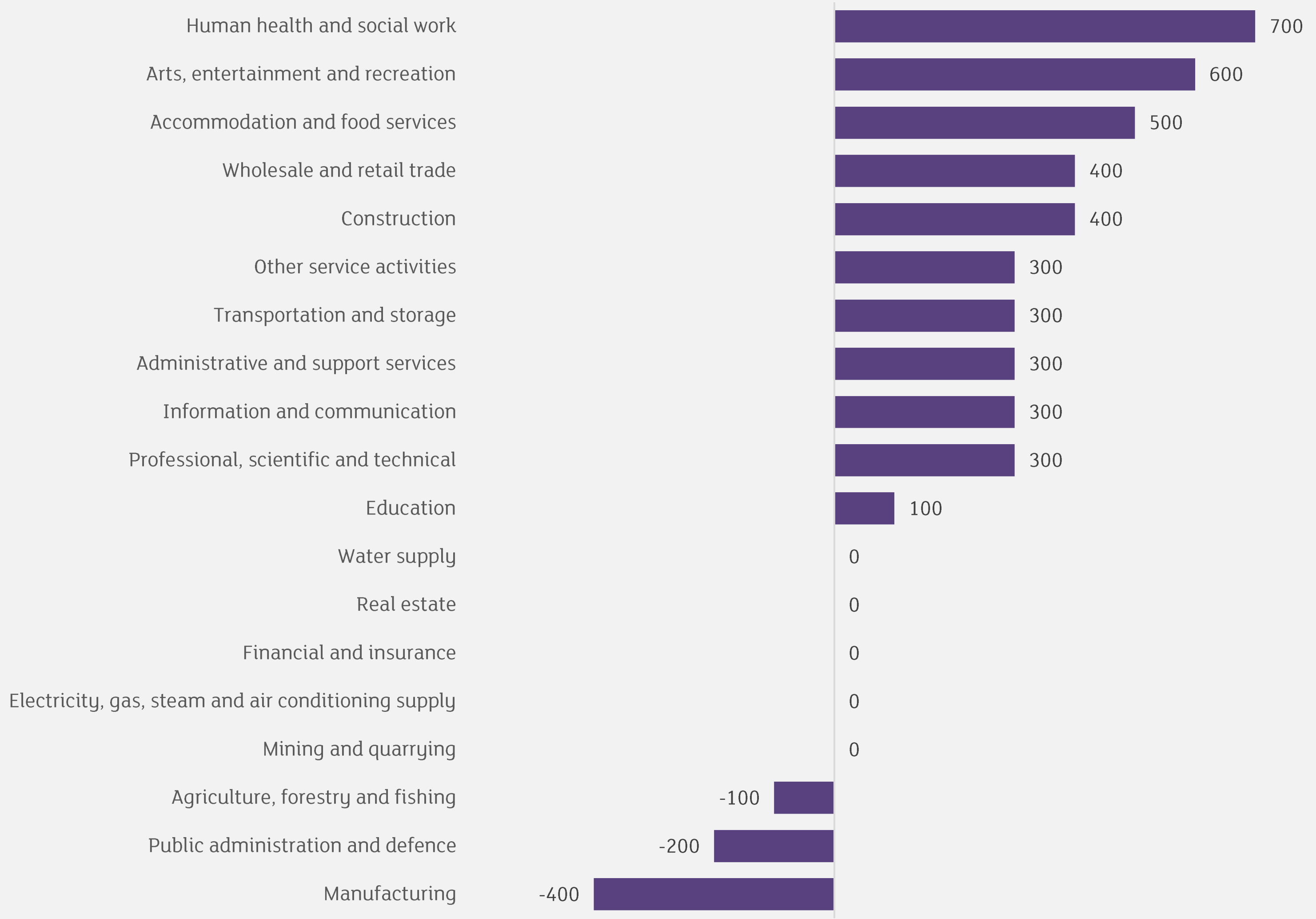
Figure 9: Forecast Employment (2019-2031), Fife (people)



Although strong employment growth is forecast in the mid-term in Fife, sectors will have varying performance. The greatest employment growth is forecast in Human health and social work, with 700 more people expected to be working in the sector by 2024 compared to 2021. Other sectors forecast to have growth over the mid-term forecast period include Arts, entertainment and recreation (600 people), Accommodation and food services (500 people), Wholesale and retail trade (400 people), and Construction (400 people).

Not all sectors in the region are forecast to grow in the mid-term. Manufacturing is the sector forecast to have the greatest employment contraction from 2021 to 2024. During the forecast period a decline of 400 people in employment is anticipated. This reflects the general trend of more capital intensive and higher value-added activity in the sector, which requires less labour-intensive methods The Public administration and defence sector is forecast to have a decline of 200 people over the same period of time (see Figure 10).

Figure 10: Forecast Employment Change by Industry (2021-2024), Fife (people)

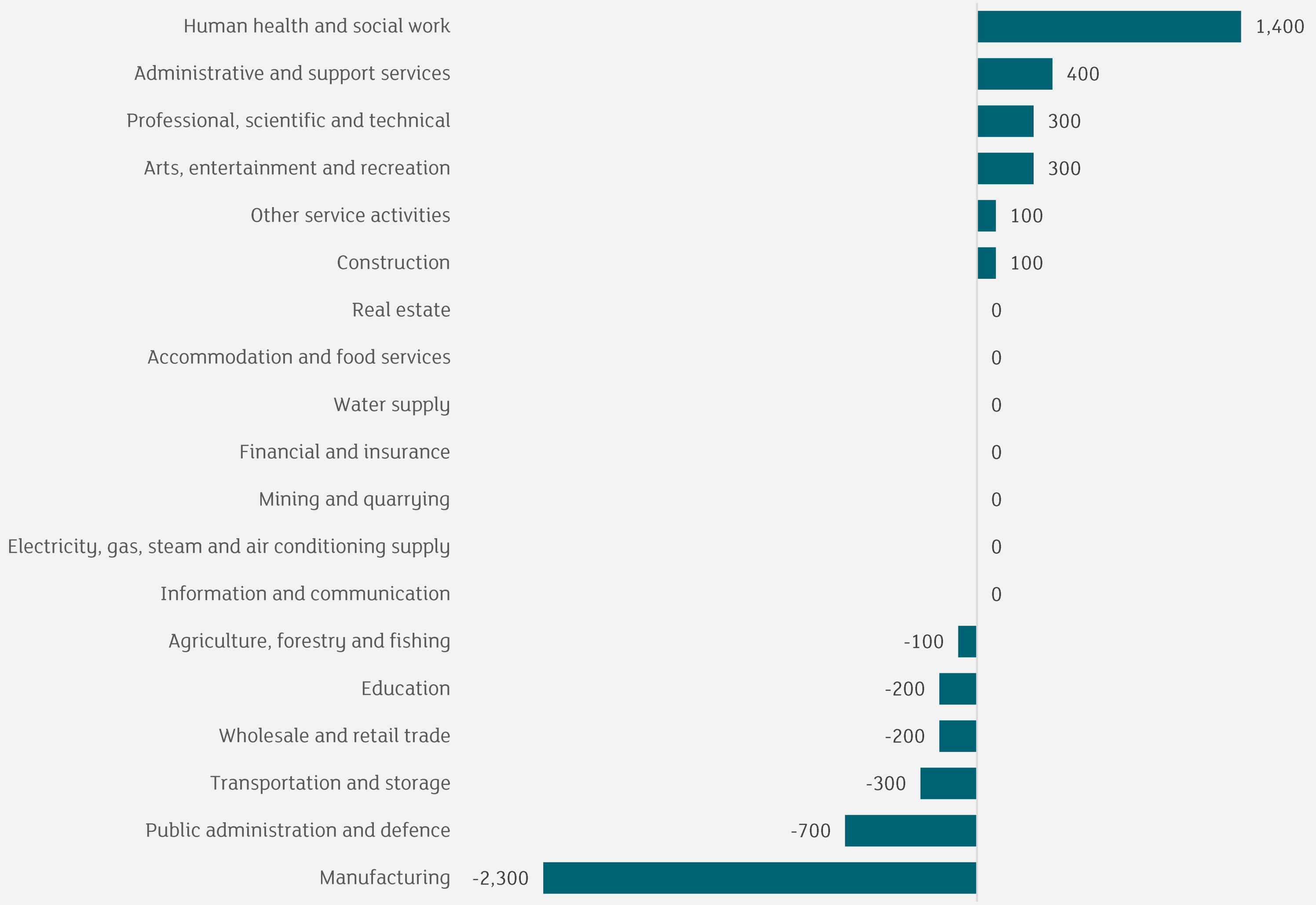


Over the longer term, and similar to the mid-term, sectors are expected to have varied outlooks.

Driven by Scotland's ageing and growing population, along with the aim to protect the provision of frontline services, Fife's Human health and social work sector is forecast to have the greatest absolute growth. From 2024 to 2031 the number of people employed in this sector is forecast to increase by 1,400. Other sectors forecast to have growth over the longer-term forecast period include Administrative and support services (400 people), Professional, scientific and technical (300 people), Arts, entertainment and recreation (300 people) and Other service activities (100 people).

The mid-term contraction in the Manufacturing sector is forecast to continue over the longer term as the adoption of new technologies and production methods continues and the sector produces more but with fewer workers. The sector with the next greatest contraction is forecast to be Public administration and defence (see Figure 11).

Figure 11: Forecast Employment Change by Industry (2024-2031), Fife (people)



Similar to sectors, occupations have varying outlooks. In the mid-term Caring Personal Services is forecast to experience the greatest employment increase in Fife from 2021 to 2024 (of 500 workers). Growth in this occupation is closely related to the forecast rise in employment by sector. An additional 400 workers are expected to be required in Elementary Occupations: Clerical and Services related. Other occupations anticipated to have an increase that is relatively large for the region are:

Business and Public Service Professionals :
300 people

Corporate Managers:
300 people

Health Professionals:
300 people

No occupations are likely to contract over the mid-term (see **Figure 12**).

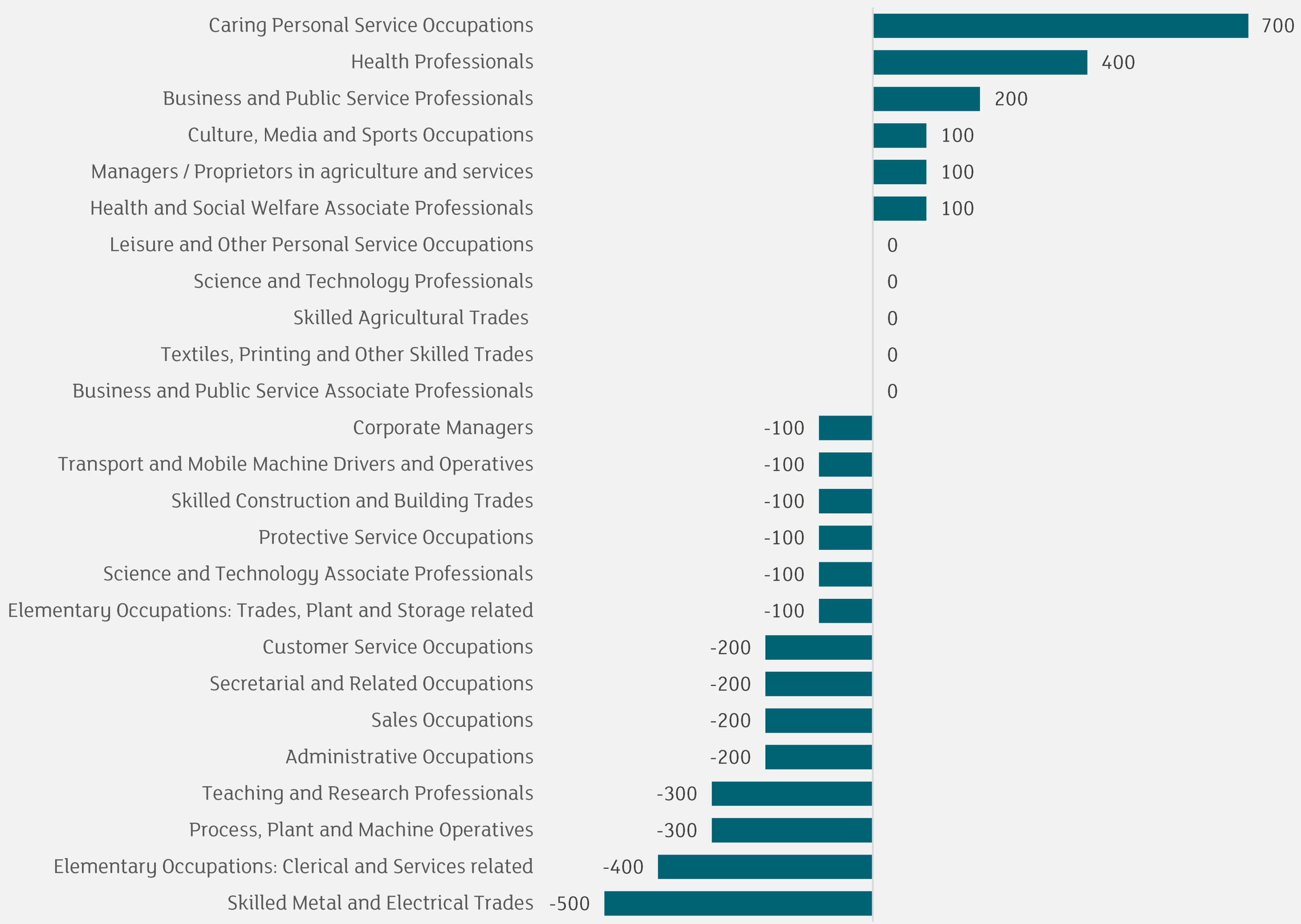
Figure 12: Forecast Employment Change by Occupation (2021-2024), Fife

Over the longer term, in Fife the greatest growth is forecast to continue in Caring Personal Services with an additional 700 workers. This will be closely followed by Health Professionals (400 people), Business and Public Service Professionals (200 people), Culture, Media and Sports Occupations (100 people) and Managers and Proprietors in Agriculture and Services (100 people).Growth in these roles reflects the relatively strong performance in business services employment and the uplift in spending and recruitment in the health sector.

Occupations likely to have the greatest contractions over the longer-term are Skilled Metal and Electrical Trades (-500 people) Elementary Occupations: Clerical and Services related (-400 people), Process, Plant and Machine Operatives (-300 people), Teaching and Research Professionals (-300 people) and Administrative Occupations (-200 people) (see Figure 13).

There will also be changes in the types of roles workers undertake within sectors, as new ways of working and technologies are introduced to the workplace. This supports growth in IT and technological-based roles across a broad range of sectors, from manufacturing to retail to professional services—so not just in the digital sector.

Figure 13: Forecast Employment Change by Occupation (2024-2031), Fife



Other Labour Market Indicators: Current Job Postings

Current Job Postings in Fife[27]

A source of real-time labour market information is data on online jobs postings. It provides a useful barometer for the health of the jobs market alongside other insight. COVID-19 has had a substantial impact on the volume of job postings across Scotland. We report monthly on the latest national data in our COVID-19 Labour Market Insights Report and Dashboard.

The data presented in the COVID-19 Labour Market Insights Report shows that there were one per cent fewer job postings across Scotland in May 2021 compared to March 2020 (pre pandemic). Here we focus on job postings in the last 12 months within the region.

Number of job postings from June 1st, 2020 to May 31st, 2021 were:
15,800, 4.6% of all job postings in Scotland

9.9% lower than previous 12 month period

Within the region the locations with the most jobs advertised were:

Dunfermline
3,500 postings

Kirkcaldy
2,700 postings

Glenrothes
2,200 postings

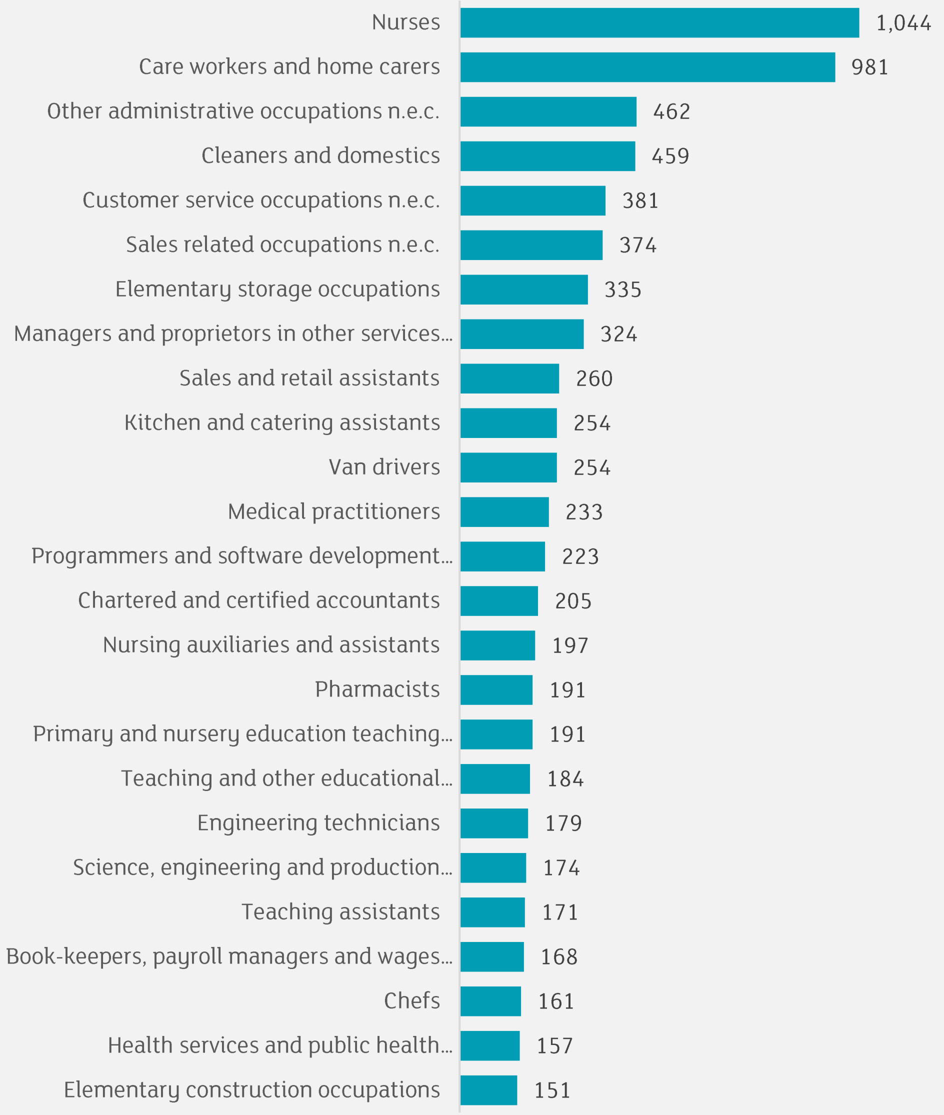
The most requested specialised skills were:

Teamwork/Collaboration
1,300 postings

Customer Service
1,300 postings

Cleaning
1,200 postings

Figure 14: Job Postings by Occupation (June 2020 – May 2021), Fife

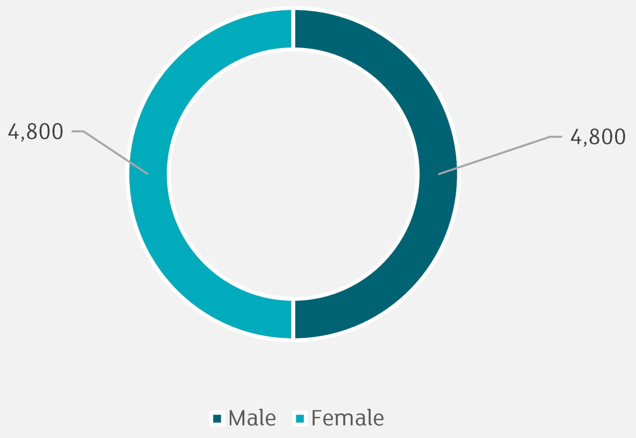


Impact of COVID-19: At a glance

Furloughed Jobs in Fife

Jobs furloughed at 31st May 2021:
9,600, 5.5% of Scotland's furloughed workforce

Jobs furloughed by gender:



Sectors with largest number of furloughed jobs:

Accommodation and Food Services: **2,100**

Wholesale and Retail Trade: **1,600**

Construction: **800**

Manufacturing: **700**

Redundancies

PACE information provision (individuals):

Location	2019/20	2020/21	1st April 2021- 31st May 2021
Fife	874	891	65
Scotland	11,189	34,222	1,496

PACE information provision (employer sites):

Location	2019/20	2020/21	1st April 2021- 31st May 2021
Fife	30	43	Less than five
Scotland	498	1,009	54

Modern Apprenticeship redundancies:

Fife:

2019/20: **42**

2020/21: **55**

Scotland

2019/20: **398**

2020/21: **936**

Impact of COVID-19: At a glance

Unemployment January to December in Fife:

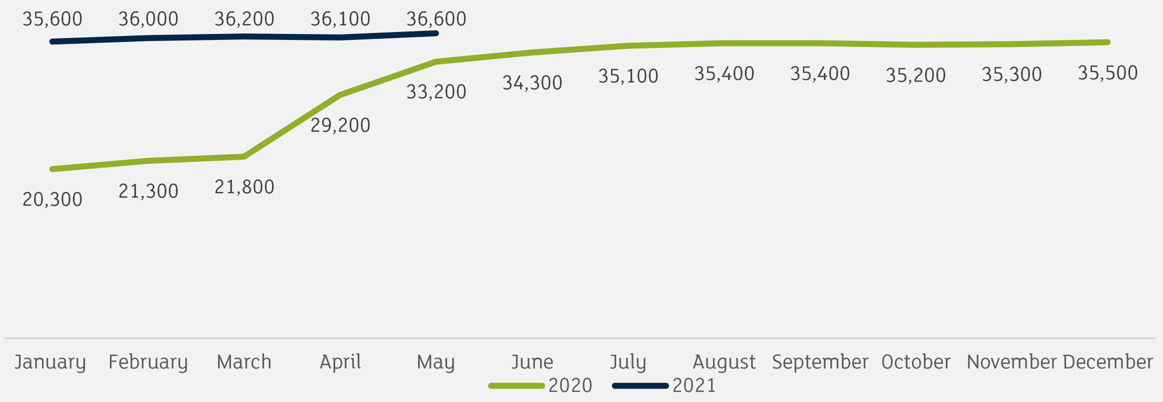
Unemployment 16+ 2019	Unemployment 16+ 2020	Unemployment 16-24 2019	Unemployment 16-24 2020
7,600	11,000	1,700*	4,800*
4.3%	6.2%	7.0%*	26.3%*

Unemployment January to December in Scotland:

Unemployment 16+ 2019	Unemployment 16+ 2020	Unemployment 16-24 2019	Unemployment 16-24 2020
95,800	117,500	29,700	45,200
3.5%	4.3%	8.3%	13.5%

* Data should be treated with caution due to small sample size

Universal Credit claims in Fife:



Since March 2020, across Scotland the number of Universal Credit claimants has increased by 223,200, from 264,100 to 487,400 in May 2021.

Claimant Count claims in Fife:

Since March 2020, across Scotland the number of Claimant Count claimants has increased by 81,700, from 114,700 to 196,300 in May 2021.

Please note that Claimant Count data has not been seasonally adjusted.

The Impact of COVID-19 in the Fife

First published in 2020, our series of COVID-19 Labour Market Insights explore traditional and new sources of data and evidence to understand the impact of the pandemic on the labour market. In this section we replicate as far as possible the COVID-19 Insights for Fife and include analysis to demonstrate how the impact in the region compares to Scotland.

Furloughed Jobs

The Coronavirus Job Retention Scheme (CJRS) has been extended several times as a result of new restrictions, most recently having been extended to 30th September 2021. From July employers will be required to make a contribution to employee earnings (as was also the case in September and October 2020). There are concerns that continued weak economic performance could mean furlough is a precursor to redundancy.

Jobs Furloughed[28]

At 31st May 2021, there were 9,600 jobs furloughed in Fife, accounting for 6.3 per cent of eligible employments for furlough in the region and 5.5 per cent of Scotland's furloughed workforce (173,100 jobs).

This furlough take up rate compares with 11.4 per cent in Scotland and 11.7 per cent in the UK.

The sectors with the largest number of jobs furloughed in the Fife as of 31st May were:

Accommodation and Food Services: 2,100 jobs

Wholesale and Retail: 1,600 jobs

Construction: 800 jobs

The sectoral profile of furlough in the region was broadly the same as Scotland. Further information on the estimated percentage of the workforce on furlough leave by sector in Scotland is available in the monthly COVID-19 Labour Market Insights Report.

Across Scotland more male employments were furloughed than female employments, 86,900 compared with 86,300 at 31st May 2021. This is a change in the data as in previous months there had been more furloughed female employments than male employments. The gender breakdown in the region is:

Female employments:
4,800 jobs,
6.2 per cent take up rate

Male employments:
4,800 jobs,
6.4 per cent take up rate

Trends in Furloughed Jobs

The number of furloughed employments in Scotland peaked at 736,500 on 30th June 2020. This fell by 73.5 per cent to a low of 195,200 on 31st October 2020. However, the introduction of a second lockdown saw this nearly double, to 373,000 on 31st January 2021. Reflecting the loosening of restrictions, from 31st January to 31st May 2021 the number of furloughed jobs fell by 199,900 or 53.6 per cent, to a new low of 173,100, suggesting the situation is improving.

As shown at Figure 15, in Fife there has been a similar trend to Scotland. The number of furloughed jobs fell by 76.4 per cent between June and October 2020, then increased by 106.6 per cent from October 2020 to January 2021 and has since decreased by 56.2 percent from January to May 2021.

Figure 15: Furloughed jobs (June 2020 – May 2021), Fife

Redundancies

Whilst the CJRS has played a significant role in preventing mass redundancies, data does suggest that redundancies have increased as a result of the impact of the pandemic.

Partnership Action for Continuing Employment (PACE)[29]

PACE is a partnership of 24 organisations, led by SDS, which was set up by the Scottish Government to support businesses and individuals facing redundancy. PACE aims to minimise the risk of redundancy before it happens.

In the financial year 2020/21, PACE provided information to 34,222 individuals and 1,009 employer sites across Scotland. For comparison, 11,189 individuals and 498 employer sites were supported in 2019/20.

In Fife, 891 individuals and 43 employer sites were supported by PACE in 2020/21, compared with 874 individuals and 30 employer sites in 2019/20. Proportionally, the number of individuals and employer sites supported by PACE increased by less in Fife than it did in Scotland.

The sectors with the greatest information provision for individuals in the Fife in 2020/21 were:

- **Manufacturing: 299**
- **Wholesale and Retail: 164**
- **Arts, Entertainment and Recreation: 142**
- **Mining and Quarrying: 108**

These sectors are broadly similar to those with the greatest information provision to individuals across Scotland, suggesting that the sectors most affected by COVID-19 in Fife are similar to the national picture.

From 1st April to 31st May 2021, PACE delivered information provision to 65 individuals and less than 5 employer sites in Fife, and 1,496 individuals and 54 employer sites across Scotland.

Modern Apprenticeship (MA) Redundancies[30]

As with redundancies across the labour market, the CJRS is likely to be masking the full economic impact of the pandemic. As employees, we may see an increase in the number of MA redundancies when furlough is no longer an option for businesses.

COVID-19 has fundamentally changed the context in which apprenticeship training is delivered, and the statistics must be considered in this context

In addition, fluctuations throughout the year are expected. Due to the lower number of MA starts, comparisons with the same point year, should be treated with caution.

Over the financial year 2020/21, 936 MAs were made redundant in Scotland. For comparison, 398 MAs were made redundant in 2019/20.

In Fife, 55 MAs were made redundant in 2020/21, compared with 42 in 2019/20. From 2019/20 to 2020/21 the number of MA redundancies in the region increased by 31.0 per cent, compared with 135.2 per cent across Scotland.

The occupational groupings with the largest number of MA redundancies in Scotland in 2020/21 were:

- **Construction and Related: 235**
- **Hospitality and Tourism: 29**
- **Engineering and Energy Related: 29**

These occupational groupings reflect those with the largest numbers of MAs and the sectors most adversely affected by the pandemic.

Further information on redundancies in Scotland, including the quarterly redundancy rate, is available in the monthly COVID-19 Labour Market Insights Report.

Regional and National Unemployment
Whilst the impact of COVID-19 on unemployment has been reduced by the CJRS, the latest data shows that unemployment has risen across Scotland.

There were 117,000 people aged 16+ unemployed in Scotland over the period February to April 2021. This was 2,500 more than the previous three month period (November 2020 to January 2021), suggesting the situation may be worsening. However, there were 12,200 fewer people unemployed compared to the same point last year (February to April 2020).[31]

Comparable regional data is not available for February to April 2021. However, we can report unemployment data for those aged 16 and over and those aged 16-24 between January 2020 and December 2020. Youth unemployment in Fife was 4,800* (26.3 per cent*), whilst total 16+ unemployment was 11,000 (6.2 per cent). [32]

This compares with 13.5 per cent for youth unemployment and 4.3 percent for total unemployment in Scotland.

Compared with 2019, the youth unemployment rate in Fife in 2020 had increased by 19.3 percentage points* and the 16+ unemployment rate had increased by 1.9 percentage points. This is different to increases of 5.2 percentage points and 0.8 percentage points respectively for Scotland.

* Data should be treated with caution due to small sample size

Unemployment Scenarios
Commentators widely expect that unemployment will increase following the ending of the CJRS, and some have also suggested that the current official statistics may be underestimating the true level of unemployment as they do not reflect the decrease in payrolled employments and increase in claimant count.[33]

Forecasts released by the Bank of England for in May 2021 project a peak of 5.5 per cent unemployment across the UK in 2021.[34] In their June economic outlook KPMG forecast a slightly higher peak of 5.7 per cent at the end of 2021.[35]

The latest Scottish specific unemployment forecasts were released by the Scottish Fiscal Commission (SFC) in January 2021. This was prior to the extension of the CJRS to 30th September 2021 and, reflecting this, the forecast estimated that unemployment would peak at 7.6 per cent in the second quarter of 2021.[26]

KPMG highlight that their forecast is based on 90 per cent of workers who are currently furloughed remaining in employment when the scheme ends in September. If this proves not to be the case unemployment could reach far higher than forecast.

Based on these scenarios, we have modelled some possible unemployment scenarios using data from the Annual Population Survey (2020 denominators).

They provide an indicative sense of scale to the possible unemployment challenges ahead (rate and number of people).

Scale of potential unemployment levels in **Fife**:	Scale of potential unemployment in **Scotland**:
6%= 10,700	6%=164,200
7%= 12,400	7%= 191,600
8%= 14,200	8%= 219,000
10%= 17,800	10%= 273,700
12%= 21,300	12%= 328,500
15%= 26,700	15%= 410,600

Universal Credit[37]

Whilst Universal Credit includes individuals who are not unemployed, data on Universal Credit claimants is a useful and timely barometer of how COVID-19 has impacted on job losses as well as wider impact on wages.

In Fife Universal Credit claims increased from 21,800 in March 2020 (prior to the onset of the pandemic), to 36,200 in March 2021 (the end of the 2020/21 financial year). Proportionally, Universal Credit claims increased less in Fife than in Scotland. Since the beginning of 2021/22, Universal Credit claims have increased in the Fife, to 36,600 in May 2021. This suggests the situation is worsening. For comparison, across Scotland the number of Universal Credit claims has also increased.

Claimant Count[38]

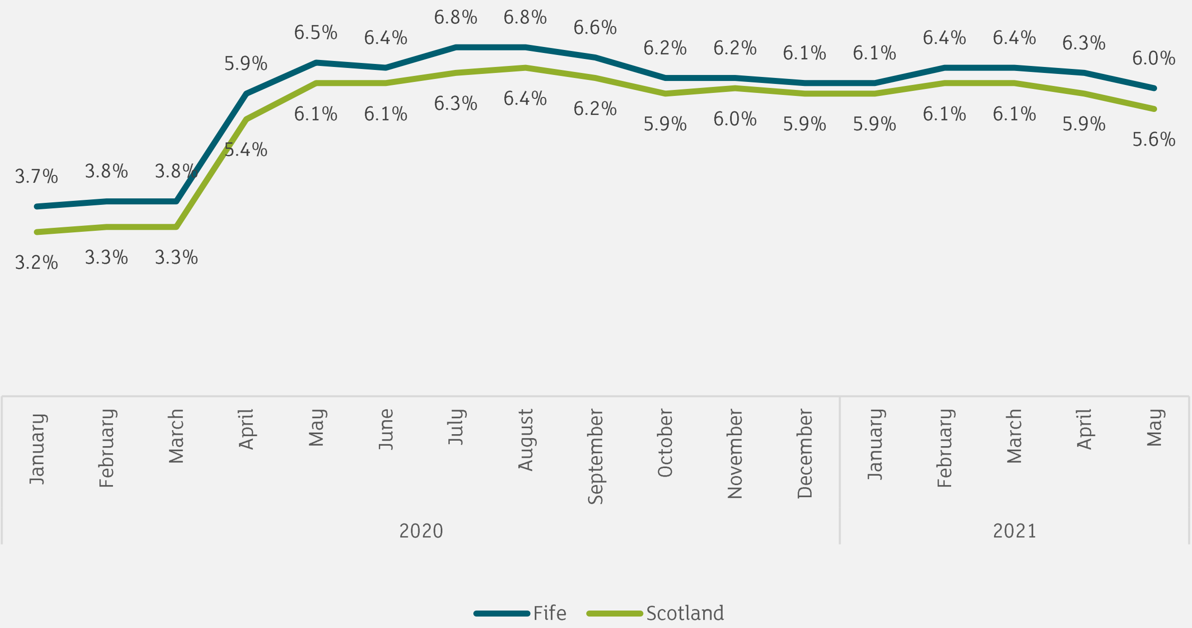
Claimant count aims to provide data on the number of people receiving out of work benefits. This is currently an experimental series, which counts the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. It is therefore a very useful measure for how COVID-19 has impacted on employment, particularly as commentators have suggested that official unemployment levels may be underestimating the true level of unemployment.

In Fife, claimant count increased from 8,800 in March 2020 (prior to the onset of the pandemic), to 14,800 in March 2021 (the end of the 2020/21 financial year). Proportionally, claimant count increased less in Fife than in Scotland.

Since the beginning of 2021/22, claimant count decreased in Fife, to 13,900 in May 2021. This is the opposite trend to Universal Credit data, and suggests the situation is improving. Although for both indicators change has been marginal. For comparison, across Scotland claimant count has also decreased.

Claimant count rate shows the number of claimants as a proportion of residents aged 16-64. As shown at Figure 16, in Fife the claimant count rate has increased from 3.8 per cent in March 2020 to 6.4 per cent in March 2021, falling to 6.0 per cent in May 2021. This is a decrease from a peak of 6.8 per cent in August 2020. For comparison, across Scotland the claimant count rate was 3.3 per cent in March 2020, 6.1 per cent in March 2021 and 5.6 per cent in May 2021. Nationally the claimant count rate peaked at 6.4 per cent in August 2020.

Figure 16: Claimant Count rate (January 2020 – May 2021), Fife



Please note that Claimant Count data has not been seasonally adjusted.

Regional Requirement[39]

Future demand for skills

In this section we provide an overview of the total labour market requirement in Fife. Our forecasts are based on the OE model at this time, and we will be refreshing regularly as new evidence relating to recovery becomes available. They should be used as guidance on overall trends based on current evidence - rather than definitive numbers. We provide this overview for two time periods:

- The mid-term, 2021-2024; and
- The longer-term, 2024-2031.

We do this as the data and evidence suggests that, for the most part, the changes and dynamics in the mid-term are largely a result of the economy and labour market recovering from the impacts of the pandemic.

Whereas over the longer-term we see changes associated with recovery level-off, and the labour market operating in the 'new normal'. In most cases by the end of 2024 or during 2025 we see labour markets return to a position similar to that pre-pandemic. Whilst this is generally the case, not all regions are expected to.

It is important to note that the forecasts do not account for national or regional activities, initiatives or investments that are planned. This is true for planned activity relating jobs being lost in the area through relocation or business closure, and also activity that may lead to jobs being created. Users of the RSAs are encouraged to overlay the forecasts with their knowledge of local factors.

Expansion Demand

Expansion demand is the measure of an increase/decrease in jobs, as a result of economic growth or contraction.

Replacement Demand

Replacement demand is the number of job openings generated by people leaving the labour market (i.e. those who retire, move away, or change jobs).

Total Requirement

Total requirement is made up of expansion demand and replacement demand to show the total number of job openings.

Future demand for skills – Job openings in the mid-term (2021 - 2024)

In **Fife** the labour market is forecast to face some challenges in the immediate term. The forecasts for the mid-term (2021-2024) however suggest there could be some jobs growth and opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

In **Fife**, 19,600 job openings are forecast from 2021 to 2024. In the region, and as shown in the previous chapter, the number of people required is forecast to increase by 3,600 from 2021 to 2024 due to expansion in the labour market. The replacement requirement of 16,000 people will also create a need for labour.

In **Scotland**, 344,500 job openings are forecast from 2021 to 2024. The number of people required is forecast to increase by 77,600 from 2021 to 2024 due to expansion in the labour market. The replacement requirement of 266,900 people will also create a need for labour.

Whilst positive, caution is needed as there are still a wide range of unknowns concerning Scotland's recovery from the pandemic. The jobs market could also be competitive, with the number of people seeking jobs outnumbering the opportunities available. Skills mismatches and job quality will also be important factors to consider.

Expansion Demand
Fife: 3,600 people
Scotland: 77,600 people

+

Replacement Demand
Fife: 16,000 people
Scotland: 266,900 people

=

Total Job Openings
Fife: 19,600 people
Scotland: 344,500 people

In **Fife**, the greatest requirement for people with higher education level qualifications are:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No quals.
1,200 (6%)	9,700 (49%)	2,400 (12%)	3,900 (20%)	900 (5%)	1,400 (7%)

In **Scotland**, the greatest requirement for people with higher education level qualifications are:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No quals.
24,600 (7%)	161,200 (47%)	44,900 (13%)	69,900 (20%)	17,700 (5%)	26,100 (8%)

Job openings are expected to be concentrated in a small number of sectors, with four sectors in **Fife** forecast to account for 10,000 (51.4 per cent) of the requirement. These are (see Figure 17):

Wholesale and Retail Trade:
3,700 jobs;

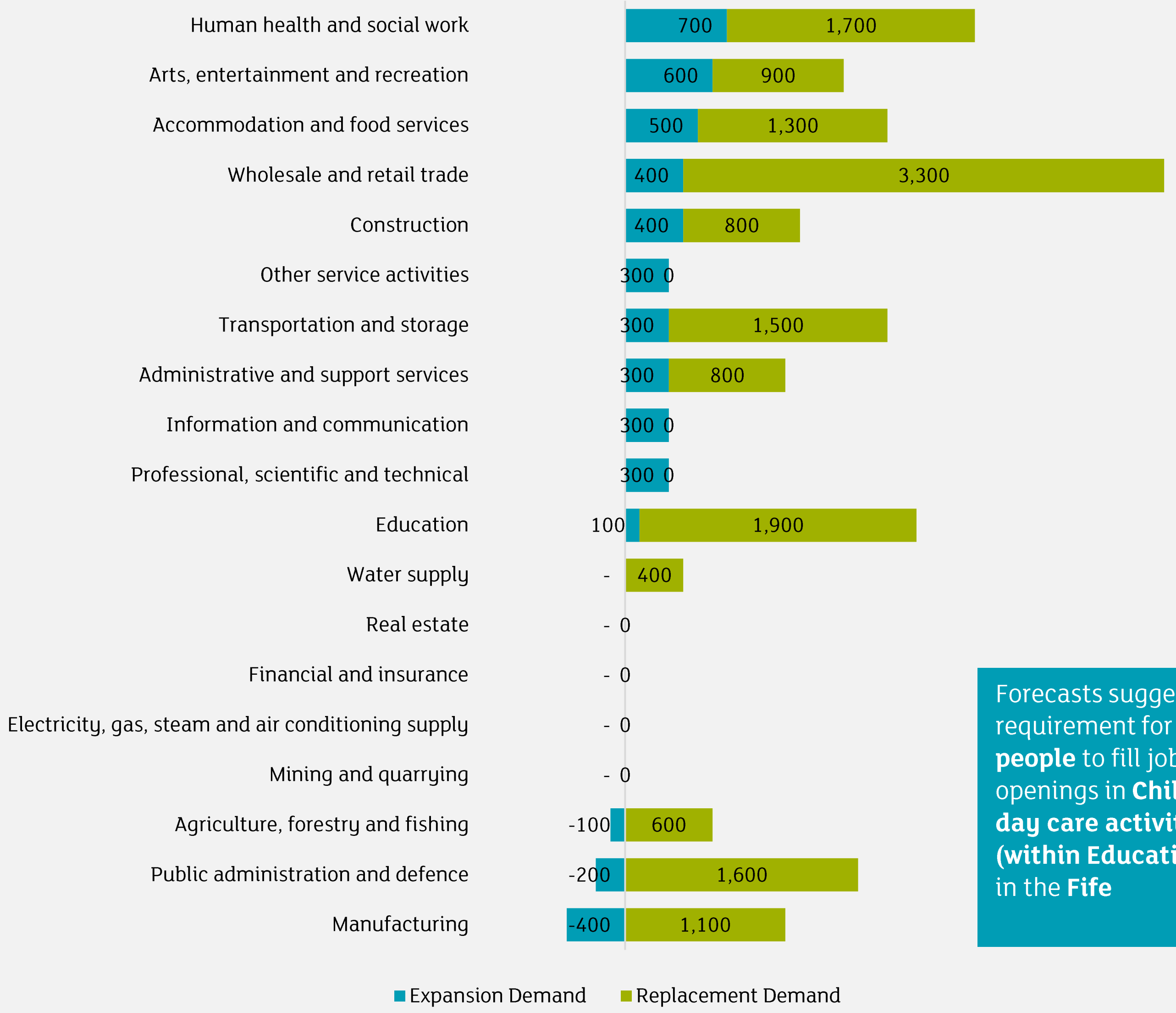
Human Health and Social Work:
2,500 jobs;

Education:
2,000 jobs; and

Accommodation, and Food Services:
1,800 jobs.

Headline figures for each sector do not show how the composition of the sector is changing. Within sectors changes to operating practices are taking place, for example the shift to online shopping with a reduction of shopping on the high street within the Wholesale and Retail Trade sector. These shifts are not captured in the aggregated groups. Similar experiences to a greater or lesser extent will be taking place in other sectors too and we would encourage readers to bear this in mind when interpreting the data. Please get in touch with us via the RSA mailbox (rsa@sds.co.uk) if you require any assistance.

Figure 17: Forecast Total Requirement by Industry (2021-2024), Fife



Forecasts suggest a requirement for **200 people** to fill job openings in **Child-day care activities (within Education)** in the **Fife**

In Fife, employment growth by sector is forecast across a range of occupations. Growth is expected to be highest in Caring personal Service Occupations, with 500 people needed to fill these new roles. This accounts for 13.5 per cent of the regions total expansion demand between 2021 and 2024 and more than the rate for Scotland (11.6 per cent).

Occupations that are growing indicate how the labour market will develop in the future in terms of the type jobs created and skills that may be required. This will be important in the mid-term as Scotland recovers from the COVID-19 pandemic.

Across almost all occupations that are projected to grow between 2021 and 2024, the qualifications with the greatest requirement are SCQF 7-10. This accounts for 45 per cent of the region's total under this measure and is below the rate for Scotland (48 per cent).

As shown in the data above, jobs of the future are typically going to require higher-level qualifications. This includes occupations that have historically required lower-level occupations. Despite this, there is still a need for individuals with qualifications at all levels to fill job openings in the region

Figure 18: Forecast Employment Growth by Occupation (2021-2024), Fife

Occupation	Expansion Demand	Greatest Qualification Required
Caring Personal Service Occupations	500 People	SCQF 7-10
Elementary Occupations: Clerical and Services Related	400 People	SCQF 5
Business and Public Service Professionals	300 People	SCQF 7-10
Corporate Managers	300 People	SCQF 7-10
Health professionals	300 People	SCQF 7-10
Leisure and other Personal Service Occupations	200 People	SCQF 5
Managers and Proprietors in Agriculture and services	200 People	SCQF 7-10

Future Demand for Skills – Job openings in the long-term (2024-2031)

The forecasts for the long-term (2024-2031) highlight that jobs growth is not forecast to continue in **Fife**. However, it is also expected that there could be an ongoing requirement for skilled people to fill opportunities created by people leaving the labour market. This feature of the labour market, known as the replacement requirement, is a symptom of the demographic change strategic driver.

In **Fife**, 37,000 job openings are forecast from 2024 to 2031. In the region, and as shown in the previous chapter, the number of people required is forecast to decline by 1,500 from 2024 to 2031 due to contraction in the labour market. The replacement requirement of 38,500 people will however create a need for labour.

In **Scotland**, 669,300 job openings are forecast from 2024 to 2031. The number of people required is forecast to expand by 21,000 from 2024 to 2031. The replacement requirement of 648,300 people will also create a further need for labour.

The long-term forecast is changeable and could be influenced by a range of factors both related and not to Scotland's post COVID-19 recovery. National and local policy, investment and initiatives could all influence the long-term outlook presented

Expansion Demand
Fife: -1,500 people
Scotland: 21,000 people

\+

Replacement Demand
Fife: 38,500 people
Scotland: 648,300 people

=

Total Job Openings
Fife: 37,000 people
Scotland: 669,300 people

In **Fife**, the greatest requirement for people with higher education level qualifications are:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No quals.
1,900 (5%)	19,500 (53%)	3,800 (10%)	8,300 (22%)	500 (1%)	3,000 (8%)

In **Scotland**, the greatest requirement for people with higher education level qualifications are:

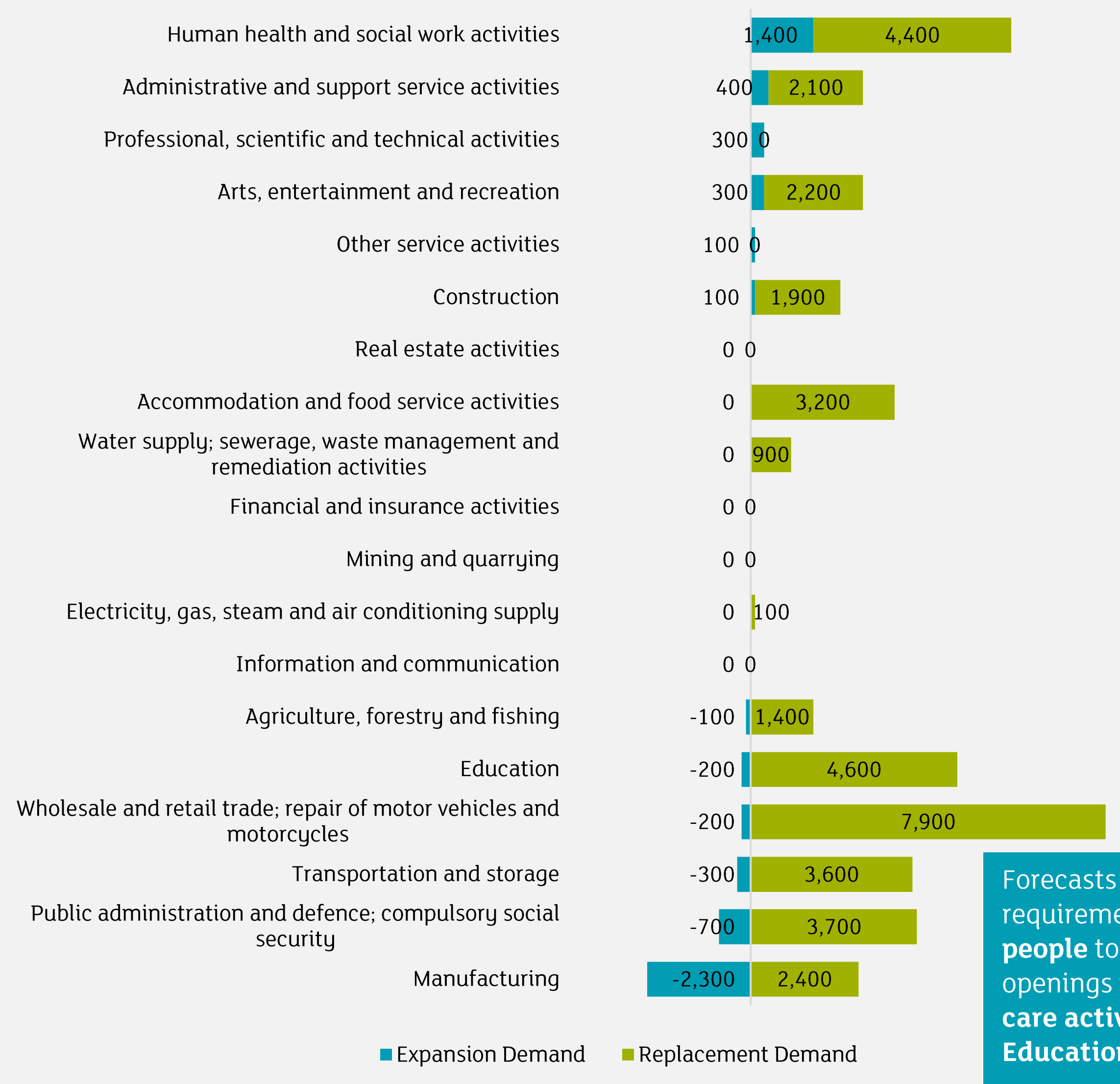
SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No quals.
43,600 (7%)	325,700 (49%)	82,500 (12%)	152,600 (23%)	17,800 (3%)	47,100 (7%)

Job openings are expected to be concentrated in a small number of sectors, with four sectors in **Fife** forecast to account for 21,100 (57.1 per cent) of the requirement. These are (see Figure 19):

- Wholesale and Retail Trade: **7,700 jobs**;
- Human Health and Social Work: **5,800 jobs**;
- Education: **4,300 jobs**; and
- Transportation and Storage: **3,300 jobs**.

As we highlighted in our analysis of the mid-term, the operating practices of some sectors are changing and evolving and will continue to do so over the longer term too. Automation has accelerated as a result of the pandemic and Industry 4.0 is set to have an even greater impact on the operating practices of sectors such as Wholesale and Retail.

Figure 19: Forecast Total Requirement by Industry (2024-2031), Fife



Forecasts suggest a requirement for **400 people** to fill job openings in **Child-day care activities (within Education)** in **Fife**

Similar to mid-term projections, employment growth by sector will be spread across a range of occupations in Fife. Whilst overall a decrease in employment is forecast in Fife for 2024-2031, there is growth within certain occupations. Growth is expected to be greatest in Caring Personal Services, with 700 people needed to work in this occupation. Across Scotland Caring Personal Services accounts for 64.7 per cent of expansion demand between 2024 and 2031.

Occupations that are growing indicate how the labour market will develop in the future in terms of the type jobs created and skills that may be required. This will be important in the long-term beyond the COVID-19 recovery in Scotland.

Across almost all occupations that are projected to grow between 2024 and 2031, the qualifications with the greatest requirement are SCQF 7-10. This accounts for 62 per cent of the region's total under this measure and is below the rate for Scotland (67 per cent).

As shown in the data above, jobs of the future are typically going to require higher-level qualifications. This includes occupations that have historically required lower-level occupations. Despite this, there is still a need for individuals with qualifications at all levels to fill job openings in the region.

Figure 20: Forecast Employment Growth by Occupation (2024-2031), Fife

Occupation	Expansion Demand	Greatest Qualification Required
Caring Personal Service Occupations	700 People	SCQF 7-10
Health Professionals	400 People	SCQF 7-10
Business and Public Service Professionals	200 People	SCQF 7-10
Culture, Media and Sports Occupations	100 People	SCQF 1-4
Managers and Proprietors in Agriculture and Services	100 People	SCQF 7-10
Health and Social Welfare Associate Professionals	100 People	SCQF 7-10

July Spotlight: Regional Employment and Equalities

Employment and Equalities in Scotland

In this section we focus on employment by gender, disability and ethnicity.

The availability of robust labour market data on protected characteristics has been a longstanding challenge – particularly intersectional data. SDS works with partners and stakeholders to try and address these challenges, and we also ensure that protected characteristics are captured and accounted for in our own data and practices.

Our Equality and Diversity Mainstreaming Report 2019-2021[40] provides an update on progress made against the equality outcomes we have set. Our local authority dashboards available on our local area pages also contain the latest equalities data for Modern Apprenticeships and the Employability Fund.

Why do equalities matter to Scotland?
Sustainable, inclusive economic growth has been a long-term ambition for the Scottish Government. It has featured prominently in policy since the 2015 Economic Strategy for Scotland.

Before COVID-19, progress was being made in improving Scotland's national wellbeing, and strong progress was noted in labour market performance and reducing the gender pay gap amongst other areas of development.[41] However, challenges were still present including levels of in work poverty and low pay (for some groups and sectors) and employment gaps for people with or who share protected characteristics.[42]

There are wider benefits to achieving greater equalities – beyond the benefits to individuals – OECD reviews highlight the importance of equality in labour markets and society revealing the knock-on effects this can have on the wider economy. Impacted areas include: health and wellbeing; income– including pay gaps; supply of labour; productivity; growth; and access to technology.[43]

This ambition for inclusive growth and the wellbeing economy is now especially important due to COVID-19 and the disparities brought by the pandemic.

Importance of increased workplace diversity
Increased diversity in the workplace is not only vital to Scottish businesses, but also to Scottish society.

Businesses benefit internally from increased productivity in their workforce as well as higher levels of creativity and higher engagement amongst employees.[44]

Alongside internal benefits, there are also external gains. Increased diversity may offer a competitive advantage when attracting new employees and reduce employee turnover as groups feel equally represented and respected.[45]

Additionally, this may provide better community links across diverse groups attracting customers who see themselves reflected in a company's workforce composition making goods/ services available to more people. For example, disabled people spend around £200 billion per year in the UK, but most choose not to spend their money in businesses that do not cater to their needs.[46]

There are increasing opportunities to prioritise equality and diversity in workplaces post COVID-19 with the increase of home-working. For example, as women tend to take on the responsibility of primary care-givers, this may offer more flexibility for them to re-join the workforce.

More equality related statistics (by gender, disability, ethnicity and care experience) at a local authority level can be found in the Equality Summary publications on the SDS website here. These are a summary of National Training Programme (NTP) equality data and include information on Modern Apprenticeship and Employability Fund statistics.

Labour Market inequalities

In pre-pandemic Scotland, inequalities already existed across many domains. However, evidence suggests these pre-pandemic inequalities have been exacerbated by COVID-19 and exposed already vulnerable groups to adverse shocks. It is estimated that without appropriate government interventions, inequalities are set to expand in the short, medium and long-run. Some of the most significant include income, labour market participation, education and life chances. [47]

Looking at gender, Close the Gap (2021)[48] reported that women are at higher risk of lost hours and earnings, and face a greater risk of redundancy as a result of due to the pandemic. Women are also less likely to be in secure employment as well as being less eligible for sick pay, and face higher income reductions than male counterparts. [49]

Furthermore, the pandemic has pushed women back into more traditional roles, taking on greater care responsibilities with family and children which may make it harder to re-enter the labour market. [50] Women are also more likely to be lone parents, who are more likely to suffer more adverse consequences from the pandemic.[51] This has long-term effects on women in the labour market and brings further challenges to an already divided labour market.

The Resolution Foundation (2021) reported that as a result of the pandemic young people from Ethnic Minority backgrounds were facing greater labour market difficulties than young White people. Unemployment for economically active young Black people aged 16-24 increased from 25 per cent to 35 per cent, compared to ten per cent to 13 per cent for young White people. [52]

Finally, disabled people have also been impacted as a result of COVID-19. They are more likely to be furloughed or unemployed due to working in more vulnerable sectors, as well as facing wider negative impacts on education services. Joseph Rowntree Foundation estimated that around 56 per cent of disabled people in the UK who were employed at the start of 2020 had reported a loss of earnings by the middle of the year, which was higher than the rate for non-disabled people. [53]

Current Employment

Overall, in Fife, 138,700 people were estimated to be in employment in 2021. Based on this estimate the region would account for 5.4 per cent of Scottish employment.[54] The latest employment rate data is for 2020 and suggests that overall, 71.4 per cent of people who lived in the region were in work. This was below the rate for Scotland (73.5 per cent).

Of the 138,700 people estimated to be in employment in 2021, 47.0 per cent were male and 53.0 per cent were female. This composition by gender was different to that of Scotland as a whole. Across Scotland 50.5 per cent of people in employment were male and 49.5 per cent were female.[55]

Within the region the 2020 employment rate for males (73.3 per cent) was below the rate for Scotland (76.1 per cent). The employment rate for females living in the region (69.6 per cent) was lower than the rate for males. The regional female employment rate was below the rate for Scotland (71.0 per cent).[56]

For disability and ethnicity 2021 employment estimates are not available, but 2020 survey-based data is.

Within Fife the employment rate for disabled people was 50.4 per cent. This was lower than the employment rate for the population as a whole, and above the equivalent rate (49.1 per cent) for disabled people across Scotland.[57]

The intersection of gender and disability shows that the employment rate for disabled females (48.4 per cent) was lower than the equivalent for disabled men (53.3 per cent) in the region. This is different to the trend across Scotland where the employment rate for disabled females is above that of males.[58]

The 2020 employment rate for individuals from minority ethnic groups in Fife was 63.3 per cent. This was lower than the rate for the population as a whole. Compared to Scotland the region's employment rate for minority ethnic groups was slightly below average.[59]

The data suggests that in Fife there was underrepresentation of women, people from minority ethnic groups and people with an EA core disability in the workforce.

Employment by sector[60]

We focus on the intersection of sector of employment with gender and ethnicity in this part of the RSA. Data on the sectoral employment of people who have an EA core disability, and individuals with protected characteristics (excluding age) is not available.

Based on data for 2020, in Fife there was an underrepresentation of women and minority ethnic groups in the production and construction sectors and overrepresentation in the services sector, particularly in Public Admin, Education and Health (see Figure 21). Approximately 93.3 per cent of women and 100 per cent* of people from a minority ethnic group in employment worked in services sectors compared to 83.9 per cent of all in employment.**

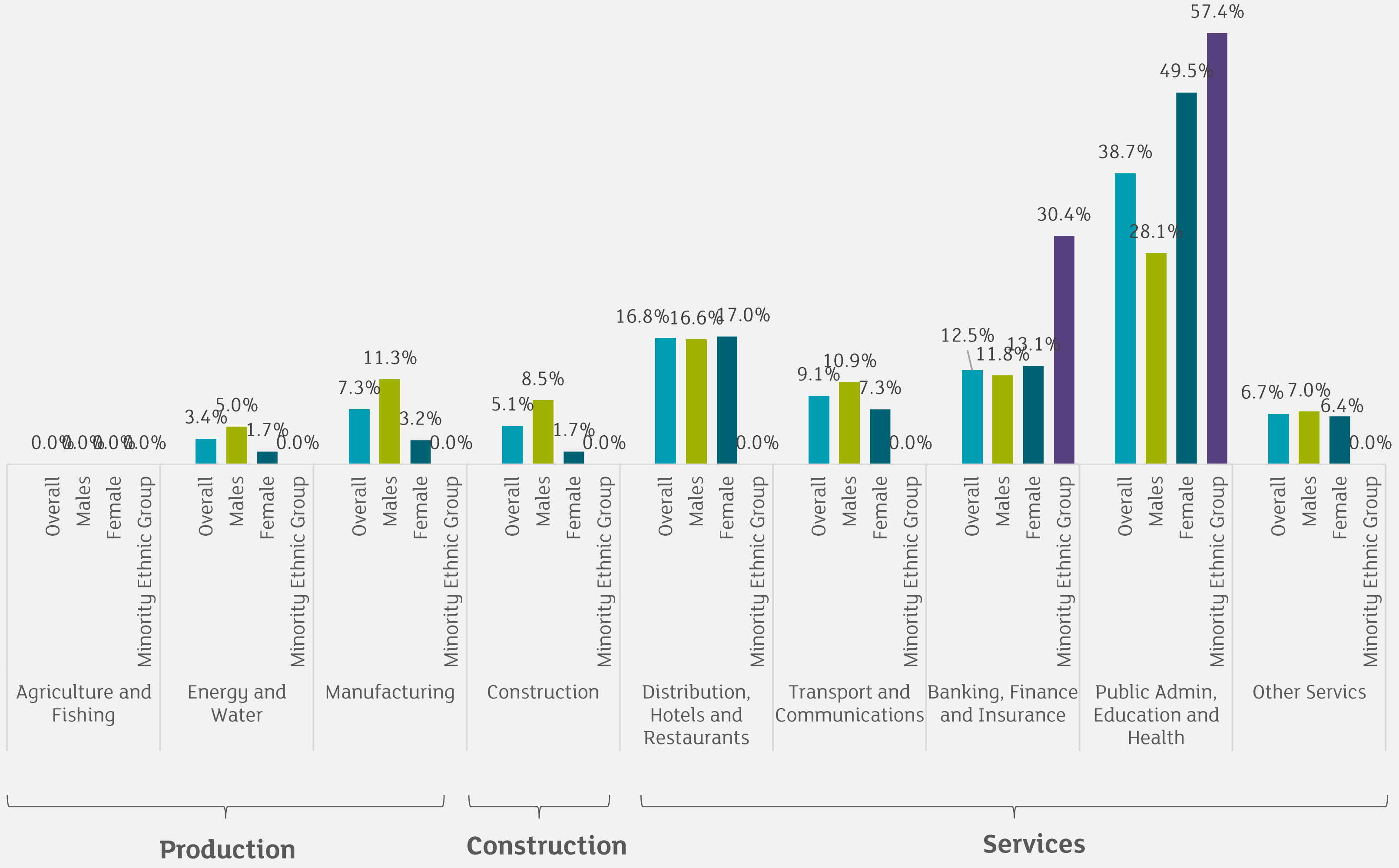
*Data should be treated with caution

**Data for people from a minority ethnic group is not fully available for graph due to small sample sizes. This figure is at all services sectors level.

Figure 21: Employment by Industry, Gender and Ethnicity* (2020), Fife

*Please note that where data shows 0.0% this is because the survey sample size is zero or disclosive (0-2)

Graph may contain data that should be treated with caution due to small sample sizes

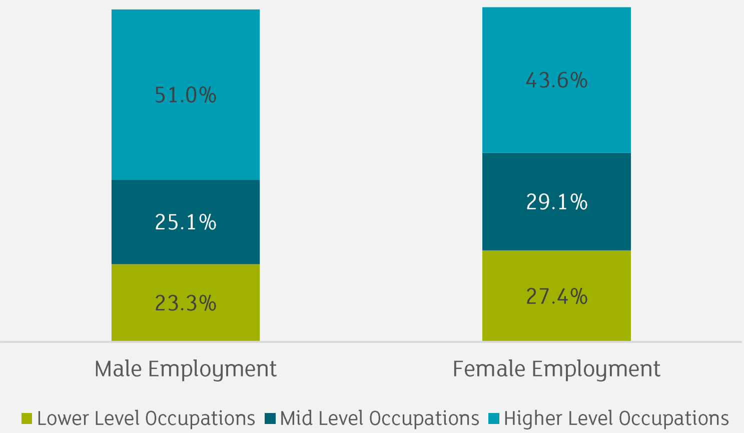


Employment by occupation [61]

As mentioned, sectors tell us about the industries that people work in, and occupations provide insight on the type of jobs people do. Similar to the previous section, data that shows the intersection of occupation and protected characteristics is only available by gender and ethnicity.

In 2020, nearly half of all occupations (47.3 per cent) in Fife were estimated to be higher level, 27.0 per cent were mid-level and 25.3 per cent were lower level. However, the occupational structure for males and females shows that a higher percentage of males were in higher level occupations within the region (see Figure 22).

Figure 22: Employment by Gender and Occupation Level* (2020), Fife



Graph contains data that should be treated with caution due to small sample sizes

Employment by gender and occupation [62]

Occupations that had a predominantly male/female workforce in the region were Skilled Trades (88.5 per cent male), Caring, Leisure and Other Services (86.2 per cent female) and Process, Plant and Machine Operatives (78.3 per cent male).

At a finer level of detail, within Fife the largest occupation group in 2020 was estimated to be Elementary Administration and Service Occupations, with 18,400 people thought to work in this lower level occupation. Data for 2020 shows that this occupation had a predominantly female workforce, as 52.7 per cent of individuals working in Elementary Administration and Service Occupations were female and 47.8 per cent male as seen in Figure 23.

Other occupations with a predominantly male/female workforce were Skilled Metal and Electrical Trades (100 per cent* male), Skilled Construction and Building Trades (100 per cent* male), and Leisure, Travel and Related Personal Services (100 per cent* female).

Employment by ethnicity and occupation

Data on ethnicity by occupation is only available at the [Standard Occupational Level 1 (SOC 1).]

In Fife, the largest occupation group was Professional Occupations. Within this occupation 93.3 per cent were White and 6.7 per cent** were from a Minority Ethnic Group.

Figure 23: Employment by Occupation and Gender (2020), Fife

Elementary Administration and Service Occupations: 18,400
Male: **47.8%**
Female: **52.7%**

Teaching and Educational Professionals: 15,800
Male: **48.1%**
Female: **51.9%**

Caring and Personal Service Occupations: 12,100
Male: **16.5%****
Female: **83.5%**

Sales Occupations: 9,600
Male: **20.8%****
Female: **80.2%**

Business, Media and Public Service Professionals: 9,400
Male: **44.7%**
Female: **55.3%**

Science, Research, Engineering and Technology Professionals: 9,200
Male: **76.1%**
Female: **25.0%****

Business and Public Service Associate Professionals: 9,100
Male: **48.4%**
Female: **51.6%**

*Please note that for these occupations the survey sample size for the minority gender was zero or disclosive (0-2)
**Data should be treated with caution due to small sample size
Figures may not sum to 100% due to rounding.

Terms of Employment[63]

In the region, 70.0 per cent of workers were employed on a full-time basis and 30.0 per cent were part-time in 2021.

By gender in Fife, the male workforce had a higher percentage of workers employed on a full-time basis, 88.3 per cent, and 11.7 per cent of men were employed part-time.

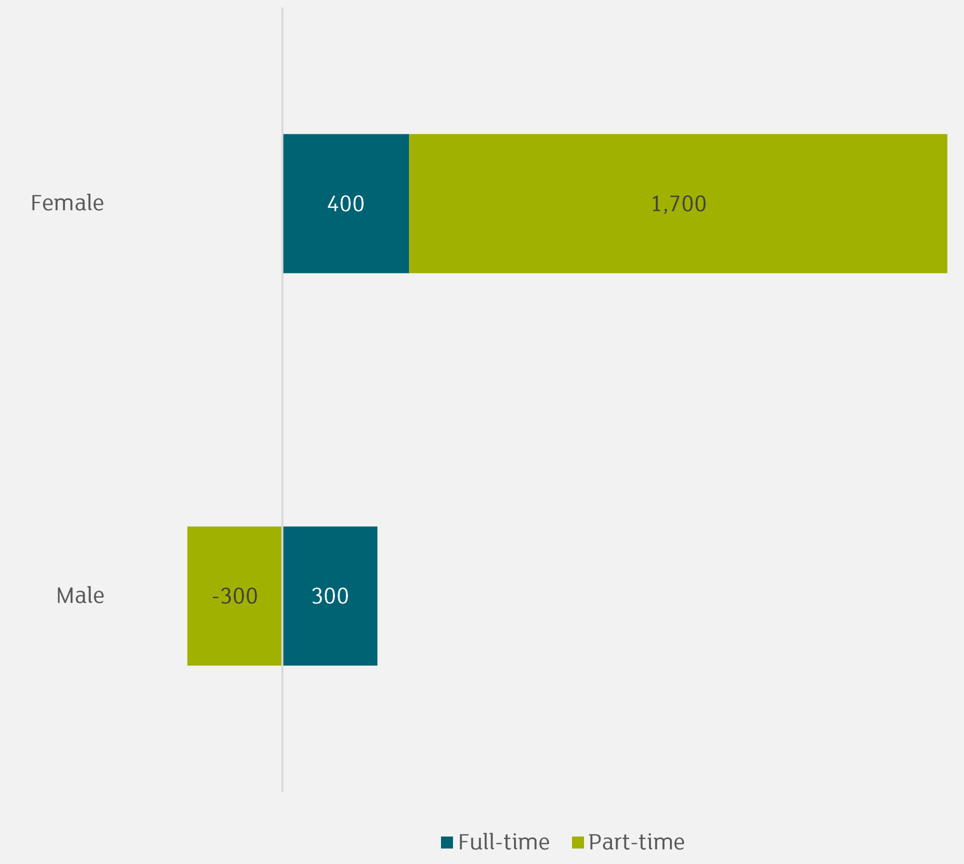
By comparison, the female workforce had a lower percentage of workers employed on a full-time basis, 53.9 per cent, and a higher percentage were employed part-time, 46.1 per cent.

Looking to the future (2021-2031), growth is expected in male full-time employment, and female full-time and part-time employment in Fife.

The greatest absolute growth is forecast in female part-time employment (1,700 people), followed by female full-time employment (400 people). In percentage terms it is female part-time employment that is forecast to have the greatest growth in the region, growing by 5.0 per cent.

By 2031, it is forecast that an additional 2,100 women will be working in the region on a full-time or part-time basis. By comparison, the forecast for men remains static (see Figure 24). This suggests increased labour market participation amongst women in the future.

Figure 24: Forecast employment change by gender and full-time/part-time (2021 - 2031), Fife



Opportunities for Recovery

Regional partnership skills response to addressing skills demand

SDS has shared regional COVID-19 labour market insights with Fife Council, Opportunities Fife, Fife Employability Forum and at Edinburgh and South East Scotland City Region Deal level. Discussions are underway with partners in Fife to support targeted responses to the economic and labour market impacts of COVID-19. SDS has provided a focus on where there are employment opportunities; for example in the Health and Social Care, digital or green energy sectors. Discussions are underway to explore a youth guarantee to support transitions into training, education and employment. PACE has been enhanced to provide greater support for those affected by redundancies and more detail on further labour market interventions is available in the Scottish Government's 'Programme for Government (2020-21)'.

In 2020-21 SDS will continue to support the Labour Market Analysis and Evaluation projects as part of the Edinburgh and South East Scotland City Region Deal. This includes the development of a Health and Social Care Skills Gateway to support progression into and through the Health and Social Care sector, and the launch of a Labour Market Toolkit to help careers advisors provide information to individuals seeking advice on career progression. Further research into the skills needs of key sectors will take place later this year, and there will be close partnership working with Fife College around future provision planning.

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