

Alister Jack responds to December 2020 Labour Market Statistics

Press release

Scottish Secretary responds to December 2020 Labour Market Statistics for Scotland



Responding to today's [15 December 2020] Labour Market Statistics, Scottish Secretary Alister Jack said:

Despite the slight decrease in today's figures, these reflect a period when restrictions were eased. We are now facing new restrictions across the UK.

The UK Government continues to respond, taking unprecedented action to support jobs with the extension of the furlough and self-employed schemes, providing loans to Scottish businesses and supporting our hospitality and tourism sectors.

For those looking for work, we are investing billions as part of our Plan for Jobs including recruitment of Work Coaches, expansion of sector training schemes and £2 billion Kickstart scheme for young people.

In the Spending Review last month, the Chancellor set out how we will work to ensure our economy recovers. That includes support for growth deals in Scotland and investment in our defence and R&D sectors, money to help communities prepare for a new Shared Prosperity Fund, and an increase in the national living wage.

Hope is on the horizon, with the UK Government procuring vaccines on behalf of the whole of the UK. Never has the strength of the union and UK Treasury been more important.

Background

- Many of our communities are living under changing tier restrictions. The UK Government furlough scheme, paying 80 per cent of wages, will run UK-wide until the end of March. The self-employed support scheme has also been extended to the end of March and will increase from 55% to 80% of average profits – up to £7,500. At their peak in the summer our furlough and self-employed support schemes were supporting more than 930,000 jobs in Scotland and will continue to provide a vital safety net for businesses and their employees over the winter.
- More than 76,000 businesses in Scotland have benefitted from UK Government loan schemes, worth more than £2.9 billion. Scotland's hospitality and tourism businesses are benefitting from a VAT cut which will run till March 2021.
- The Scottish Government has been allocated an additional £9.5 billion from the UK Government since March 2020 for COVID-19 response. This is on top of the block grant and in addition to direct UK Government support to people and businesses in Scotland.
- The UK Government is investing billions to help people back into work, including through our £2 billion Kickstart scheme to get young people into jobs, expansion of our sector-based work academy programme and recruitment of thousands of Work Coaches in Jobcentres helping unemployed people of all ages back into work.
- The UK Government has provided extra funding for welfare system to help those unable to access other forms of support. These temporary welfare measures include a £20 per week increase for everyone on Universal Credit. The Scottish Government also holds significant devolved welfare powers.
- The UK Government is providing the bulk of covid testing in Scotland including lateral flow tests used in community and student testing. The UK was the first country in the world to approve Pfizer/BioNtech vaccine with 40 million doses secured by the UK Government for distribution across all parts of the UK.

Analysis

Scotland's key indicators are improving, with unemployment falling (-15,000) at 4.2% (down 0.6%) for Aug – Oct 20 compared to the three months before May – Jul 20. This is the strongest result of any region of the UK with Scotland's unemployment rate of 4.2% now below that of the UK overall at 4.9%.

We have seen from last month's furlough figures that over 183,000 employments are paused and around 142,000 self-employed people in Scotland received UK Government support.

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