

Annex A

The information asked for is often provided as part of larger briefing notes, where much of the other information is out with the scope of this request. Therefore extracts are provided below where the information pertains to this request.

Item 1- Extract from briefing note (12th September 2023)

Points to Note

- In May-Jul 2023, Scotland's unemployment rate was the same as the UK (4.3%) although, over the quarter, the rate in Scotland has risen by more than in the UK (Scotland: 1.2 percentage points vs UK: 0.5 percentage points).
- Scotland's unemployment rate had been lower than the UK unemployment rate since Nov 2021-Jan 2022.
- In May-Jul 2023, Scotland's unemployment rate was higher than before the pandemic (Dec-Feb 2020).

In May to July 2023, compared with February to April 2023 (the quarter before)

The **unemployment rate** was 4.3%, higher than the quarter before (3.1%) and the same as the UK rate of 4.3%. 122,000 people were unemployed in Scotland, 37,000 more than February to April 2023.

Over the quarter (since February to April 2023), the unemployment rate increased to 4.3%.

Over the year, the unemployment rate increased,

[NOTE: ONS note that due to challenges maintaining response rates, the LFS is experiencing higher variability than in the past, for smaller groups in particular. The LFS is being transformed with the first figures published in Spring 2024.]

Labour market statistics, Scotland and UK, May to July 2023

	Percentage point			Level (000's)		
	Rate (%)	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022	Level	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022
Employment¹						
Scotland	75.1	0.5	-0.1	2,689	26	-14
UK	75.5	-0.5	0.1	32,882	-207	135
Unemployment²						
Scotland	4.3	1.2	1.3	122	37	37
UK	4.3	0.5	0.7	1,464	159	240
Inactivity³						
Scotland	21.4	-1.5	-0.9	740	-50	-30
UK	21.1	0.1	-0.6	8,780	63	-231

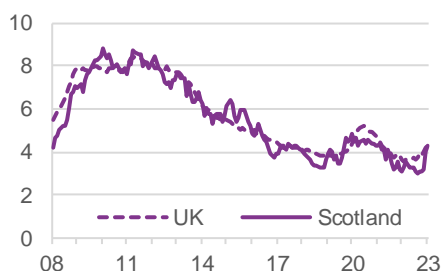
Source:
Labour Force Survey, seasonally adjusted, ONS

Levels:
1,2: All persons aged 16 and over;
3.: All persons aged 16 to 64.

Denominator:
1,3: All persons 16 to 64 years;
2. Economically active 16 and over

Unemployment

Rate



Country/ Region Comparisons

- Out of the 4 UK nations, Scotland has the joint highest unemployment rate, the 2nd highest employment rate and the 2nd lowest inactivity rate.
- Out of the 12 regions of the UK, Scotland has the joint 5th highest unemployment rate, the joint 5th highest employment rate and the 6th lowest inactivity rate.

	Employment Rate (%)	Unemployment Rate (%)	Inactivity Rate (%)
England	75.8	4.3	20.7
Wales	74.0	3.8	23.2
Scotland	75.1	4.3	21.4
N. Ireland	71.1	2.7	26.9
UK	75.5	4.3	21.1

Women (May to July 2023)

Scotland's women's unemployment rate is the same as the UK (3.8%). Scotland's women's employment rate is higher than the UK (73.0% v 72.4%) and the women's inactivity rate is lower than the UK (24.1% v 24.7%).

	Percentage point			Level (000's)		
	Rate (%)	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022	Level	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022
Employment¹						
Scotland	73.0	1.0	-1.1	1,322	10	-39
UK	72.4	0.0	0.3	15,733	28	127
Unemployment²						
Scotland	3.8	0.9	1.8*	52	13	24*
UK	3.8	0.2	0.3	623	39	59
Inactivity³						
Scotland	24.1	-1.7	-0.3	425	-30	-3
UK	24.7	-0.2	-0.6	5,163	-40	-111

* Estimates are based on a small sample size and should be used with caution

Source:
Labour Force Survey, seasonally adjusted, ONS

Levels:
1,2: All persons aged 16 and over;
3.: All persons aged 16 to 64.

Denominator:
1,3: All persons 16 to 64 years;
2. Economically active 16 and over

Men (May to July 2023)

Scotland's men's unemployment rate is slightly higher than the UK (4.8% v 4.7%). Scotland's men's employment rate is lower than the UK (77.3% v 78.6%) and the men's inactivity rate is higher than the UK (18.7% v 17.4%).

	Percentage point			Level (000's)		
	Rate (%)	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022	Level	Change on quarter Feb-Apr 2023	Change on year May-Jul 2022
Employment¹						
Scotland	77.3	-0.1	0.9	1,367	15	25
UK	78.6	-1.0	-0.2	17,149	-236	9
Unemployment²						
Scotland	4.8	1.6	0.8	69	24	12
UK	4.7	0.7	1.0	841	120	181
Inactivity³						
Scotland	18.7	-1.3	-1.6	315	-21	-27
UK	17.4	0.5	-0.6	3,618	103	-120

Source:
Labour Force Survey, seasonally adjusted, ONS

Levels:
1,2: All persons aged 16 and over;
3.: All persons aged 16 to 64.

Denominator:
1,3: All persons 16 to 64 years;
2. Economically active 16 and over

Item 2- Extract from briefing note (12th September 2023)

Latest Monthly Labour Market Statistics

The latest labour market statistics were published by the Office for National Statistics at 7 am this morning, Tuesday 12th September 2023 and cover the period May to July 2023. The latest Labour Force Survey (LFS) statistics show:

The estimated unemployment rate (16 and over years) was 4.3 per cent, higher than the quarter before (3.1 per cent in Feb-Apr 2023) and the same as the UK rate. 122,000 people aged 16 and over were unemployed in Scotland, 37,000 more than February to April 2023.

Item 3- Extract from briefing note on the rise in unemployment (12th September 2023)

Summary

- Unemployment levels (16+) in Scotland increased by 37,000 over the quarter, driven more by men (up 24,000) than women (up 13,000).
- The decrease in inactivity suggests that inactive people have now moved into economic activity. This means that inactive people are now in work (an increase in employment), or inactive people are now actively seeking employment but they have not found work yet (an increase in unemployment).

In May to July 2023, Scotland's unemployment rate was the same as the UK (4.3%).

1. However, over the quarter, the rate in Scotland has risen by more than in the UK (Scotland: 1.2 percentage points vs UK: 0.5 percentage points).
2. Scotland's unemployment rate had been lower than the UK unemployment rate since Nov-Jan 2022.
3. *The Office for National Statistics note that due to challenges maintaining response rates, the Labour Force Survey (LFS) is experiencing higher variability than in the past, for smaller groups in particular. 1.2 percentage points is within the confidence interval for the estimated unemployment rate so the reported change may be smaller or larger. The LFS is being transformed, which will improve the quality of this data, with the first figures published in Spring 2024.*

Numbers of Economically Inactive (16-64) in Scotland decreased by 50,000 over the quarter.

4. This decrease in inactivity suggests that inactive people have now moved into economic activity. This means that inactive people are now in work (an increase in employment), or inactive people are now actively seeking employment but they have not found work yet (an increase in unemployment).
5. Unemployment levels (16+) in Scotland increased by 37,000 over the quarter, driven more by men up 24,000 than women up 13,000.

Scotland's women perform well compared with the UK.

6. Scotland's women's unemployment rate is the same as the UK (3.8%). The Employment rate is higher (73.0% v 72.4%) and the Inactivity rate is lower (24.1% v 24.7%).
7. Scotland's men currently perform less well compared with the UK. The unemployment rate is similar in Scotland and the UK (4.8% v 4.7%). However, the Employment rate is lower (77.3% v 78.6%) and the Inactivity rate is higher (18.7% v 17.4%).

Item 4- Internal correspondence

From: [redacted]@gov.scot>
Sent: Tuesday, September 12, 2023 7:40 AM
To: [redacted]@gov.sot
Subject: RE: FOR CLEARANCE: Proactive statement - Publication of Labour Market Statistics for May to July 2023.

Morning [redacted]

Yes people move from inactivity to employment and also into unemployment- so they are moving from inactive not engaging with labour market to actively seeking employment (Ilo unemployed) or being in employment

However the rise in unemployment indicates a difficulty finding a job- which may indicate the economy is in a poorer state- so the large increase in unemployment is negative

Also the unemployment rate is now matching UK whereas Scotland has been below UK for over a year

[redacted]
[redacted]
OCEAES: Economic Strategy and Policy

From: [redacted]@gov.scot
Sent: Tuesday, September 12, 2023 7:36 AM
To: [redacted]@gov.scot
Subject: RE: FOR CLEARANCE: Proactive statement - Publication of Labour Market Statistics for May to July 2023.

[redacted]
A probably stupid question from me and not urgent - only for my own understanding; If- employment rose and inactivity fell – is the rise in unemployment due primarily to people moving from inactivity to unemployment status?

For May to July 2023, Scotland's estimated unemployment rate (16+ years) was **4.3** per cent, an increase of 1.2 percentage points over the quarter. The unemployment rate for men aged 16+ **rose** over the quarter to **4.8** per cent. The unemployment rate for women aged 16+ rose over the quarter to 3.8 per cent.

The estimated employment rate (16-64 years) **rose** over the quarter to **75.1** per cent and the estimated inactivity rate (16-64 years) **fell to 21.4** per cent over the same

Item 5 – Extract from briefing pack (12th September 2023)

- **Scotland compared with UK**
 - Although Scotland's unemployment rate increased over the quarter and year, Scotland still outperforms the UK (4.0% v UK 4.2%)
 - Scotland has a lower employment rate than UK (74.2% v UK 75.7%) and a higher inactivity rate (22.6% v UK 20.9%)
- **Latest statistics show potential softening in Scotland's labour market with a rise in unemployment, but there is still resilience given economic pressures.**
 - Scotland still outperforms the UK on unemployment rates (4.0% v 4.2%)
 - Employment rate fell over the quarter and is below the UK rate (74.2% v 75.7%)
 - Inactivity rate rose over the quarter and is higher than the UK rate (22.6% v 20.9%)

Item 6- Internal Correspondence

Morning [redacted],

Yes the figures included in The Herald article are correct.

Please see below:

- The unemployment level for those aged 16+ increased by 42.9 per cent over the quarter from 85,000 in Feb-Apr 2023 to 122,000 in May-Jul 2023.
- The unemployment rate (16+) increased by 1.2 percentage points over the quarter to 4.3 per cent in May-Jul 2023. This is not a statistically significant increase.

In May to July 2023, Scotland's unemployment rate was the same as the UK (4.3%).

- However, over the quarter, the rate in Scotland has risen by more than in the UK (Scotland: 1.2 percentage points vs UK: 0.5 percentage points).
- Scotland's unemployment rate had been lower than the UK unemployment rate since Nov-Jan 2022.
- *The Office for National Statistics note that due to challenges maintaining response rates, the Labour Force Survey (LFS) is experiencing higher variability than in the past, for smaller groups in particular. 1.2 percentage points is within the confidence interval for the estimated change in the unemployment rate so the reported change may be smaller or larger. The LFS is being transformed, which will improve the quality of this data, with the first figures published in Spring 2024.*

Thanks
[redacted]

[redacted]
[redacted]
Office of the Chief Economic Adviser
Scottish Government

From: [redacted@gov.scot]
Sent: Wednesday, September 13, 2023 9:30 AM
To: [redacted@gov.scot]; [redacted@gov.scot]; **Cc:** [redacted@gov.scot];
[redacted@gov.scot]
Subject: Check on reported figures for LMS

Hi both.

Hope you well. We are looking to check the figure reported below in *The Herald* on employment data.

Is this correct? I can see in the data (**Table 1: Summary of Labour Market Statistics and quarterly and annual changes, Scotland and UK, May to July 2023**) that this appears to be where media got this figure.

Grateful for info. If true seems a very high/significant jump?

The Herald article:

43% increase in unemployment figures in Scotland in three months to July
Scotland's unemployment rate increased significantly in the three months to July, with data from the Office for National Statistics Scotland showing a 43% rise in the number of people unemployed compared to the same period the year before - 37,000, to be exact. Furthermore, it brings Scotland's unemployment rate up to 4.3% and in line with the UK when it had previously been doing better

Thanks,

[redacted]
[redacted]

News: Wellbeing Economy, Fair Work and Energy

The Scottish Government, St Andrew's House, Edinburgh
m: [redacted]



Item 7 – Extracts from briefing pack on labour market

Key points

- Unemployment is traditionally a lagging indicator of economic output as it takes time for changes in the demand for goods/services to feed through to changes in demand for labour.

- Unemployment has risen sharply recently, however the headline data indicates this reflects previously inactive people moving into the labour market, rather than falling employment.

Labour market headline statistics, Real Time Information and Claimant Count indicate that there has been a recent shift from inactivity into unemployment, but no notable drop in employee numbers.

- The Labour Force Survey (LFS) shows that in May – July 2023, the rise in unemployment by 37,000 over the quarter to a rate of 4.3% (the same rate as the UK), coincided with a rise in the employment rate (to 75.1%) and a fall in economic inactivity (to 21.4%), indicating that inactive people have moved into economic activity and have either secured work or are actively seeking employment.
- The sharp rise in unemployment in the LFS has occurred very rapidly over the past quarter, and has been accompanied by sharp reversals in recent trends on employment and inactivity. Due to the underlying uncertainty and variability in the data, short terms shifts should be treated with caution.

